

Security leak to Paisley puts Princess at risk

From Tim Jones, Belfast

Angry Northern Ireland politicians last night demanded a government inquiry into an alleged security leak which could put Princess Alexandra, the Queen's cousin at risk.

In a visit to the province arranged for today she is expected to attend the service to consecrate the northern transept of Belfast Cathedral. But because details of her schedule are now known, the politicians claim that the Provisional IRA have been given 48 hours to set up riots.

Mr James Moynihan, leader of the Official Unionist Party, claimed that details of the visit had been leaked by a member of the Royal Ulster Constabulary to the Rev Ian Paisley.

Mr Moynihan said: "I am seeking an immediate meeting with Mr Humphrey Atkins, Secretary of State for Northern Ireland, to demand an investigation. I am talking about more than the royal visit, I am talking about the internal security of the RUC itself."

News of the royal visit had been restricted to a carefully controlled 48-hour notice, which was given, with the precise venue and the timing, and that obviously increases the risk to the royal visitor.

Mr Paisley, who did not name the person he believed had leaked the information, said there was to be a royal visit when he spoke on an early morning radio programme. Because of the visit he had decided to call off a planned demonstration outside the cathedral to protest over the presence at the service of the Archbishop of Canterbury, Dr Runcie.

The police told him of the visit, but in no way would his statement put anyone at risk, he said.

Mr Moynihan said: "The most worrying feature is that it shakes confidence in the RUC because it is bound to put a question mark in the minds of people who might otherwise be inclined to give confidential information to the police. If they cannot now be trusted, the information is not going to be disclosed, it will make them understandably reluctant to come forward."

No one had known of Mrs Thatcher's visit to Belfast last week until she appeared in the main shopping area of the city. During his four-day visit to Ireland, Dr Runcie will meet Cardinal Tomás Ó Fiaich, Primate of All Ireland, and will have talks in Dublin with Mr Charles Haughey, the Prime Minister of the Republic.

Mr Paisley was involved in another row over security yesterday when he called for an investigation into "inadequate precautions" at the Royal Victoria Hospital, Belfast, where a police reservist was killed by gunmen on Sunday night.

The Rev Robert Bradford, Official Unionist MP for Belfast, South, claimed there was enough circumstantial evidence to suggest collusion between some members of the staff and the Provisional IRA.

Reserve Constable Colin Dunlop, aged 30, was murdered by two men and a woman as he was guarding a patient at the hospital. He was married with four children, all aged under seven.

Adkins hints at way forward

Mr Humphrey Atkins, Secretary of State for Northern Ireland, hinted last night at fresh attempts to seek political way forward in the province (our Political Staff writes).

He said on the BBC television programme, *Panorama*, that the Government's lack of success in finding a way forward did not stop him being determined to try and seek it again.

Now that the local elections in Northern Ireland were over the Government was determined to seek a political way forward by discussion and agreement.

Mr Atkins emphasized that he was not thinking in terms of a new political initiative.

"I would deprecate the VSF of the 'political initiative', which carries an air of 'if only you would solve the whole thing in half an hour. You won't.'"

Mr Atkins said: "The British Government could not accede to the demand of the hunger-strikers that they should be treated differently. If we were to do so and if we were today, if you claim a political motive for any crime, however terrible, you will be treated differently to everybody else, that would be a licence to terrorise all over the world."

A Granada Television programme showing the "lying in state" of Mr Patrick O'Hara, the fourth hunger striker to die in the Maze prison, was shown last night after the intervention of the Independent Broadcasting Authority.

The IBA requested Granada to make changes to the *World in Action* programme about the IRA propaganda battle with Britain and the world press on Westminster to compromise on the hunger strike. Granada is considering the IBA request and hopes to transmit the programme out at a later date.

Letters, page 13

30% increase in cases of child battering

Two groups have highlighted violence against the very young and the old. Cases of child battering have risen by nearly a third on the 1979-80 figures, according to the National Society for the Prevention of Cruelty to Children. Age Concern is to conduct a survey of the alarming increase in the number of attacks on old people.

Priests quit over ordination

Four Anglican priests of the Church in Wales are resigning because of their opposition to women priests. Three of them took part in a public protest last December during the ordination of a woman as a deacon.

Lloyd's upheaval

A Commons committee of inquiry into Lloyd's of London has called for changes that could lead to the biggest upheaval in the insurance market's 300-year history.

S Africa bombs

Offices of the main South African opposition party were bombed in Johannesburg shortly before a Durban parade to mark the republic's anniversary celebrations.

Shot PC's ordeal

Police Constable Philip Olds, giving evidence at the trial of two men, described how one shot him, leaving him with injuries that paralysed him from the chest down.

Second march

As the People's March for Jobs dispersed after a final rally in London and a lobby of Parliament, plans were laid for a second march from Scotland.

Socialists ahead in French poll

President Mitterrand's Socialists are away to a flying start in the parliamentary election campaign. An opinion poll puts Socialist support at 56 per cent—10 points better than Mitterrand got in the first round of the presidential election.

Bangladesh revolt collapses as rebels flee

From Trevor Fishlock, Dacca, June 1

The attempted coup in Bangladesh, collapsed abruptly today when the leaders of the disgruntled Army officers who killed President Zia ul-Rahman fled, realising their position was hopeless. In Dacca tonight there was a great demonstration of grief as tens of thousands of people filed past the President's body in the Parliament building.

It was in the early morning, 48 hours after the President was murdered in the part of Chittagong, that the rebel officers realised the game was up. Major General Abdul Mansur, their leader, tried to escape, but the official Bangladesh news agency reported from Chittagong tonight that he had been captured.

It seems clear that the claims of the so-called Revolutionary Council that they had considerable support in the Army were exaggerated. It must have become plain to the rebels that their support was draining away and their cause was futile.

A Bangladesh Army battalion was seen this morning 30 miles north of Chittagong, heading towards the city with five howitzers. The Government had given the rebels until 6 am today to surrender.

According to reports here, Chittagong was quiet today and there were few soldiers on the streets. Shops and markets which had been closed since Saturday morning were open again and bustling.

Outside the mock-Tudor circuit house in Chittagong where the President was killed there was a crowd of several thousand. Nobody was allowed in and the people stood silently in mourning.

The body of the President, who the rebels had refused to hand over, was recovered today and flown the 120 miles to the capital. The press people wanting to file past the flower-bedecked coffin was so great that the authorities closed the gates of the building tonight with a huge disappointed crowd outside.

It is evident that Bangladesh has suffered a great shock. Its people feel a deep sense of loss, having admired and respected their President. The feeling in Dacca tonight of a people stunned, uncertain and robbed.

Evidence is growing that Major General Mansur staged his coup attempt partly out of a sense of personal grievance. There are reports that he deeply resented his recent announced transfer from control of the Army in Chittagong to a staff college, or to a business position.

It is being suggested that President Zia who was waging war on corruption in his country—was about to sack a number of Army officers in Chittagong for corruption.

President Zia was assassinated by a swift-moving commando group at dawn on Saturday. Mr Badruddin Chowdhury, Secretary General of the Bangladesh National Party, said at Chittagong today (Agence France Press reports).

The commando group killed the circuit house buildings where the President was staying for the night and forced his way into the protected area killing several policemen on duty at about 4 am.

The rebels surrounded the circuit house and climbed up the stairs, according to Mr Chowdhury, who was staying at the building.

"We woke up by the bursts of rockets and fire," Mr Chowdhury said, adding that the area around the circuit house was engulfed by smoke. He said that as the President came out of his room to assess the situation, he was hit by bullets from automatic weapons, hit him in the face and chest, killing him instantly.

"Hundreds of bullets ripped through our room, hitting the beds and windows. We were cowering our last moments," Mr Chowdhury said.

Mr Mansur Rahman, a leader of the labour front in Bangladesh, Nationalist Party who was also in the circuit house, said that after the rebels fled, he had seen the blood-stained body of the President just outside his door.

"We covered it with a white bedsheet from the President's suite," he said.

Features, pages 10 and 12

Will a cheaper pound buy us prosperity? by David Blake; the Social Democrats and private education by Peter Watson.

Business News, pages 15-20

Stock Markets: The new account was dominated by the dawn raid for Eagle Star, but equities closed firmer. Gilts made gains of up to 12.

Financial Editor: Allianz's challenge to Eagle Star; Tunnel Holdings; 1972 shows its hand; Drastic measures from London.

Europe: Michael Hornsby on bloodletting at the Barlaymont.

Home News

Overseas News

Appointments

Arts

Bridge

Business

Church

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Crossword

Science

TV & Radio

Theatre, etc

25 Years Ago

Universities

Weather

Wills

Although the pure scientists and nutritional experts may have some reservations, the new food is being described as the nylon of the food industry.

Experts believe that its impact on food manufacture could be as significant as the introduction of nylon fibre on the textile and clothing industries.



A place in the sun: Visitors from Sudan join sunbathers in Regent's Park, London, yesterday.

Glorious first of June but outlook is showery

By a Staff Reporter

Raincoats were put away throughout most of Britain yesterday as a sudden burst of sunshine replaced the dismal showery weather which covered the country for much of May.

Only the South-west suffered from the weather, with clouds for most of the day and some rain, which spread to Wales later. South coast resorts also had some fog to take the edge off the otherwise pleasurable day.

One by-product of the sunshine was that Gloucestershire county cricket team finally managed to put bat to ball in a first-class match for the first time this season.

Previous games had all been prevented by the weather. Gloucestershire's pleasure was not unalloyed before the end of the day at Bristol the Australians had declared at 278 for 7.

Other cricket teams were not all so lucky: the Roses match between Yorkshire and Lancashire in the Benson and Hedges Cup was abandoned yesterday because the playing area at Leeds was still saturated from the weekend.

The Weather Centre in London said the sunshine was "only one day, I'm afraid". After overnight showers it looked as if it would be generally sunny for the next few days, although it might improve in the south on Thursday. Nevertheless, it would at least stay warmer than it was last week.

Forecast, back page

Temperatures yesterday reached 23°C (74°F) in parts of Oxfordshire and 22°C (72°F) in London, and despite a little cloud most of the country had sunshine throughout the day.

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Mr. Hector Monro, Minister for Sport, strongly criticised the British and international football authorities yesterday for failing to take strict enough action against hooliganism.

Mr Monro also urged the authorities to review ticket allocation and methods of crowd segregation. He was speaking after England fans rioted in Switzerland on Saturday. He said that the Government had asked the Hungarian authorities to ensure adequate precautions when England fans there on Saturday. The matter has gone through the British Embassy in Budapest.

Interviewed on BBC radio about the Bielefeld disturbances, which have led to five fans being formally arrested and a total of 11 being held in Bielefeld in connection with looting and damage, Mr Monro agreed that the football authorities appeared "lamentably incapable" of dealing with hooliganism.

"There has been plenty of warning. This is the third or fourth time that English supporters have behaved in the disgraceful way they have and yet it goes on. The FA, FIFA and UEFA have got to take a much tougher line."

Mr Monro said that the football authorities had to beat the hooligans, even if it meant playing international matches behind closed doors. But he insisted: "It is for the football authorities worldwide and not governments to take remedial action."

His remarks came as Mr Denis Howell, the Shadow sports minister, accused the Government of an abdication of leadership and of failing to pursue policies laid down by the football working party he had set up as Labour sports minister.

In another move to combat hooliganism, Coventry City yesterday announced a new ticket package, making it the first club in the Football League with an all-seat stadium.

It includes instalment plans for ticket purchase, higher charges for visiting fans and more than doubled charges, a minimum of £5 as against £2, for tickets bought on the day of the match.

Accused to the PLO envoy in Brussels, Mr Khader was the victim of a feud within the Arab movement. He made an immense effort to create an impression of moderation and respectability, in public at least.

Officials at the PLO formation and liaison office, which Mr Khader set up in the mid-1970s, issued a statement attributing the attack to "without any doubt" to Israeli Secret Services.

Mr Khader, the statement declared, was simply the latest in a long line of Palestinian victims of Zionist aggression. It called for support for the "struggle of the Palestinian people."

At a press conference later Mr Abdullah Frang, the PLO representative in Bonn, charged the killing was part of an Israeli "campaign to stop the recognition of the PLO by Western Europe." The Israelis hoped that the PLO would be provoked into responding in kind and thereby lose European support, he said.

Beirut: Mr Abu Mohsen Ali Maizer, the PLO spokesman in Damascus, referred to the killing of Mr Khader as a "barbaric terrorist act" which was "in accordance with the new public policy of the Israeli Knesset which is following a path of crime and terrorism" (Robert Fisk writes).

Channel to end at Waterloo

By Michael Bailey
Transport Correspondent

Waterloo is emerging as the probable London terminal for a Channel tunnel rather than Kensington or Victoria, the latest studies by British Rail suggest.

That is a sharp contrast to earlier conclusions. Last year British Rail told the select committee on the Channel link that Waterloo would not be practicable because tunnel traffic would interfere too much with existing trains.

At that time Kensington, West Brampton and Victoria were the favourites. But associated roadworks have since made Kensington very costly at £80m to £100m while Victoria is felt to be on the point of becoming saturated because of the new rail link to the expanded Gatwick airport.

Surrey Docks was also heavily promoted by the previous Conservative administration of the Greater London Council, but was not really taken seriously.

Ways have been found to accommodate the tunnel traffic at Waterloo by bringing it up from the Kent coast towards Victoria as far as Battersea, then turning off to Waterloo because of new platforms could be built on the river side of the station.

The Government hopes to take a firm decision on the tunnel later this year, after completion of examination of the merits of the various schemes and talks with the financial backers.

The front runner is believed to be a single or twin-rail tunnel big enough to handle road traffic as well as through trains.

The London terminal must be capable of handling two 600-passenger trains at a time. Road traffic including accompanied cars would join special shuttle trains at a terminal close to the tunnel entrance on the Kent coast.

Gunman kills PLO envoy in Brussels

From Michael Hornsby, Brussels, June 1

Mr Naim Khader, the Palestinian Liberation Organisation's representative in Brussels, was shot dead today by an unidentified assassin.

His assassin fired five or six shots from a 9mm calibre revolver, according to police reports, as Mr Khader walked to his car in the city centre.

Mr Khader, who was 41 and married, was widely respected in diplomatic circles in Brussels.

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Marchers disperse as new trek is planned

By Christopher Warman, Paul Routledge and Richard Evans

The People's March for Jobs ended its month-long protest yesterday with a rally in front of the Greater London Council building, a lobby of Parliament, and a final rally in the evening before the 500 marchers dispersed from the capital.

The marchers handed in a petition with about 250,000 signatures calling on the Government to make changes in its economic policies to bring back jobs and stop the hunch of unemployment from two and a half million to the three-million mark.

What is regarded by the Labour movement as its greatest propaganda success since Mrs Thatcher took office may be followed by another march of the unemployed on the capital, starting from Scotland. It is among protest initiatives being considered by unions.

The idea has been canvassed among left-wing activists who started the May march on London from Liverpool and Yorkshire. Plans for maintaining the protest momentum will be discussed tomorrow at a meeting of TUC regional council chairmen and secretaries at Congress House.

As some of the marchers went in separate delegations yesterday to meetings in different parts of London, the main body converged on Parliament to lobby Mr James Prior, Secretary of State for Employment, Mr David Steel, leader of the Liberal Party, and members of the Shadow Cabinet, led by Mr Michael Foot.

After meeting the marchers' delegation Mr Prior strongly denied that the Government was responsible for the high level of unemployment. He said in a statement that the underlying causes of unemployment would not be solved by spending even more public money. That had been tried before and had failed.

"This march has focused public attention on the national waste and personal tragedy of unemployment. I hope that one effect will be to unite the country in a determination to overcome the deep-seated economic problems that have been pulling us down for so long."

Mr Prior said that the best way to solve the problems of unemployment was to get everyone to act together to get the economy right.

Marchers' leaders later described their talks with Mr

Prior as "a dialogue with the dead". Mr Foot, accompanied by Mr Denis Healey and Mr Wedgwood Benn, among others, applauded the marchers for spreading the message of what was happening to people throughout the country, and for publicising alternative Labour policies.

Earlier in the day, the marchers, after their second night's sleep at County Hall, attended a rally with some 1,000 staff of the Greater London Council, which was punctuated by speeches, songs and steel band music.

In the sunshine the atmosphere was one of celebration, although the single Liberal member on the GLC, Mr Adrian Slade, was jeered as he showed his support for the campaign for jobs and called for the end of the Thatcher Government.

Mr Robert Richardson, general secretary of the Inner London Teachers' Association, was also barracked as he pledged the support of most inner London teachers.

Mrs Barbara Castle, Labour European MP for Manchester, North, received the warmest applause when she thanked the marchers for "revitalizing the political machine. You are the voice of national protest against Mrs Thatcher's Government."

The framework for the talks at Congress House tomorrow on ways of maintaining pressure on the Government over jobs has been set by an unpublished minute in an internal TUC policy paper looking at prospects for the official Campaign for Economic and Social Advance.

Militant members of the TUC economic committee have complained that the official Labour movement has been outflanked by the Communist-based people's march, and the TUC minutes accept the need for serious consideration of tactics usually regarded as the property of the hard-line left.

These tactics are likely to involve a TUC-sponsored mass lobby of Parliament by many thousands of unemployed young people in the autumn, when the maximum number of school-leavers joining the dole queues could be brought out on to the streets of London.

The minute further records the recommendation: "It would also be helpful to undertake some activity in conjunction with the Scottish TUC."

People's March into a national revolt against unemployment and the policies of the Thatcher Administration. A march from Scotland, which would have been organized with the STUC, has been under consideration for some weeks.

Proposals for sustaining the momentum of the May march will be put to the June 10 meeting of the TUC economic committee. Despite the embarrassment of some members it is expected that the TUC will endorse the street theatre strategy of the left by backing a youth lobby of Parliament and industry-based protests against unemployment.

Communists in the trade union movement are now planning to formalize the protest machinery built up around the people's march by establishing city committees to maintain the propaganda offensive against the Government's economic policies.

Mr Jack Smart, chairman of the Association of Metropolitan Authorities, said yesterday that more government resources must be made available to the Manpower Services Commission by the Government in order to overcome the "deplorable" level of youth unemployment.

Haughey pins hopes on Ulster progress

From Christopher Thomas, Dublin

The Irish general election campaign has rapidly divided into two main issues, the vexed and emotional question of Northern Ireland and the worrying state of the economy.

Mr Charles Haughey is doing his utmost to keep Ulster in the forefront, and is making broad hints and vague promises about what might ensue if his party, Fianna Fail, is returned to power after June 11. He is going out of his way not to be harsh on the British Government.

Fine Gael is, in contrast, doing its best to keep Northern Ireland out of the campaign. Dr Garrett Fitzgerald is rubbing home despair about 21 per cent inflation and nearly 11 per cent unemployment. He has mentioned Ulster hardly at all, and plans only a single speech on it, possibly later this week.

The contrast is representative of the different styles, priorities and histories of the parties. Fianna Fail is essentially the party of the worker and the dispossessed farmer. Its election brochures include the appendage of "the republican party" a phrase charged with innuendo in Ireland.

"We are all republicans", Mr Haughey says, not flinching from the knowledge that in most people's minds that means a nationalist with a gun.

Dr Fitzgerald, genial, warm, far less charismatic, taps a different message. He talks of eventual intervention by the International Monetary Fund to rescue Ireland from its stupendous borrowing and reassures the farmers and middle classes.

The National R-blocks Committee's sponsorship of nine

republican prisoners held in Northern Ireland, including all four hunger-strikers, has added a grim touch to the otherwise gentle campaign. The committee's closeness to the ideology of the Provisional IRA can hardly be in dispute.

Their candidates—eight men and one woman—are being spaced throughout the main republican constituencies and their only hope of success lies in securing the last preference votes in the multi-seat constituencies. (Each seat has five, four or three MPs).

There is, despite the protestations of its spokesman, no doubt that the committee was bitterly divided over strategy for the election. One prisoner elected as an MP, in emulation of Robert Sands in Fermanagh, in Northern Ireland, would be a sustained coup; it "non-aligned" it could inflict mortal damage on the committee, especially in the South.

Mrs Bernadette McAlliskey, formerly MP for Mid Ulster when she was Bernadette Devlin, wanted to stand in the dual-county constituency of Sligo-Leitrim, a strong republican area and the place of Lord Mountbatten of Burma's murder. The Sinn Féin faction of the committee seems to be on top, however, and she was overruled. She is now ally of Sinn Féin, her emphasis on the need for violence is considerably more subdued and she also is not an abstentionist; in other words, she would take her seat in the Dail if elected.

The state of the parties at dissolution was: Fianna Fail 82 seats; Fine Gael 45; Labour 16; Independent 4; vacant 1. Because of boundary changes the new Dail will have 166 seats.

Affair of US Ambassador is allowed to drop

From Our Correspondent, Dublin

The second week of the Irish general election campaign starts with the dust settling on the controversy of the American Ambassador's affair.

It led to Mr William Shannon, the ambassador, being criticized both by Mr Charles Haughey, the Irish Prime Minister, for "putting his foot in it," and by a Dublin newspaper. The controversy started when Fine Gael, the main opposition party, announced last Tuesday that Dr Garrett Fitzgerald, the party leader, was to be accompanied by the ambassador on his election tour of the counties of Wicklow and Wexford the next day. In the welter of campaign announcements, only *The Irish Times* noticed that information.

An embassy official, Dr Ronald Clifton, asked for information, would say only that "he was not aware of the ambassador having any plans to accompany Dr Fitzgerald."

When the report appeared it caused an immediate furor. It was the first indication of a party, or Labour, the other main opposition party, had received that the ambassador intended to follow the campaign. Their reactions dominated the day's election news.

Mr Brian Lenihan, Minister for Foreign Affairs, announced that his department was starting an investigation. Mr

Haughey, on the campaign trail in Co. Galway, said Mr Shannon had made no approach to his party. "We would not contemplate having him take part in our campaign or being associated with us in any way," he said.

The embassy moved to take the heat from the controversy. The ambassador explained that he had intended all along "to observe the Irish election campaign by spending time with a candidate from each of the three main parties."

Mr Shannon added: "This is in line with my policy of reporting to my government." The Irish Department of Foreign Affairs now regards the matter as having been clarified. Clearly it accepts that the ambassador's intention was to do just as he said, observe election without showing favour to any party. "The fact that the ambassador will shortly be leaving Ireland at the end of this term was one of the deciding factors in the matter being let drop so early," a Foreign Office official in the department said.

The Irish Press concluded in a leading article: "Mr Shannon should have known better; he should have known that the presence of the American Ambassador with just one of the parties would lead to a



Photograph by Peter Trievier

Dame Janet sings on

Dame Janet Baker rehearsing in Christ Church, Spitalfields, London, yesterday for the performance there tonight of Purcell's 'Dido and Aeneas', which will be repeated on Thursday evening.

New PPS for Pym

By Our Political Staff

Mr David Mellor, Conservative MP for Wandsworth, Putney, is the new parliamentary private secretary to Mr Francis Pym, Leader of the Commons and Chancellor of the Duchy of Lancaster. It was announced last night.

He succeeds Mr Hal Miller, MP for Bramley, who resigned two weeks ago because he strongly objected to the preferential treatment he considered was given to the British Steel Corporation in contrast to that given to the private steel sector.

Mr Mellor, aged 32, is a barrister and won the seat from Labour with a majority of 2,630 in the last general election. He has been a frequent speaker in the Commons and led a delegation of MPs to the Charity Commissioners earlier this year, status, according to the "Moonies".

More recently he has pressed Mr William Whitelaw, the Home Secretary, to make radical changes to the inquest system.

NUJ TALKS ON SLADE MERGER

By Our Labour Staff

A second craft printing union is to be brought into merger negotiations with the National Union of Journalists.

The Society of Lithographic Artists, Designers and Process Workers (Slade) will join the talks after a ballot vote by its members of almost two to one in favour of merging with the National Graphical Association.

The NGA's 11,000 members are also being balloted on the proposed merger with Slade. The results are expected later in the summer. Slade members voted by 6,726 to 3,499 in favour of the merger in a poll of less than 10 per cent.

Meanwhile, Slade will take part in a series of formal meetings between the NGA and the NUJ aimed at producing detailed merger proposals in time for the journalists' annual conference next April.

This year's NUJ conference approved a merger talks despite stiff opposition, mainly from Irish and broadcasting delegates. The first meeting has taken place.

Union leaders are expected this week to complete an agenda for subsequent talks. Those may consider, among other proposals, that the journalists should form a separate trade group within the NGA to allow for NUJ members who are working in a number of sectors, including broadcasting, in which there are few or no NGA members.

If the NGA ballot approves the merger with Slade the new craft printing union would come into existence from March 28 next.

Radio Times dispute hopes

Hopes for a settlement of the pay dispute which led last weekend to a strike of journalists employed on Radio Times, The Listener and other BBC publications rose yesterday when both sides agreed to attend a sounding out meeting tomorrow at the offices of the Advisory, Conciliation and Arbitration Service in London (Kenneth Goeding writes).

Staff fret over future of Harrods

By Donald Macintyre

The biggest trade union representing Harrods employees is expected to seek formal talks with the House of Fraser and Lord's in an attempt to reassure its members that the store will remain intact whoever owns it in future.

The move comes as pay negotiations covering almost 1,000 members of the Union of Shop Distributive and Allied Workers at Harrods have run into difficulty after the union rejected a pay offer of between 6 and 8 per cent.

Shop stewards at the now highly unionized store have called in Mr John Flood, UAW's deputy general secretary, after expressing fears that jobs could be at risk whatever the outcome of the current takeover battle for House of Fraser, which owns Harrods.

Both companies have made clear to the union's leaders that they intend to retain and develop the world-famous Knightsbridge store, but UAW officials believe that stewards will seek even firmer guarantees when they meet Mr Flood in London today. The Harrods UAW shop stewards' committee has told Mr Flood that the takeover battle and the reference of Lord's bid to the monopolies commission has "injected an air of insecurity".

The fears have apparently been partly prompted by House of Fraser's sale and subsequent lease-back of D. H. Evans and redevelopment plans for Barter's.

Mr Flood will, however, disclose today to the shop stewards that he has written assurances from both Professor Roland Smith, chairman of House of Fraser, and from Mr Roland (Tiny) Rowland, chairman of Lord's, that both companies intend to retain and develop Harrods.

Lord's said yesterday: "Harrods is a piece of Britain. It is the flagship and we would intend that it stayed that way and improves." The House of Fraser made clear in its annual report for 1980 that it intended to develop the store.

Whitelaw Ripper inquiry team named

By Richard Ford

The team which will assist Mr Lawrence Byford, the Inspector of Constabulary for the North Eastern region, in his review of the West Yorkshire police force's hunt for the Ripper, includes four senior detectives from different areas of Britain and a Home Office scientist.

Mr William Whitelaw ordered this fresh inquiry, six weeks after the force's failure to catch the murderer, when Mr Byford's investigation will be independent of the internal inquiry being conducted.

The men in Mr Byford's team were originally selected as part of an investigation for the search for the Ripper after the death of Miss Jacqueline Hill, his last victim.

The team includes Mr Leslie

Emmett, Deputy Chief Constable of Thames Valley, who joined that force after becoming a detective chief superintendent at Scotland Yard; Mr Andrew Sloan, National Crime Squad's chief of England and Wales, who commands an elite detective force operating throughout Britain; Mr David Gerty, Assistant Chief Constable of the West Midlands, who has directed the search for the Ripper since the death of Mr James Elly in Liverpool; and Commander Ronald Harvey, Adviser to the Chief Inspector of Constabulary.

Mr Harvey was responsible for the capture of Graham Young, the poisoner, when he served with the Hertfordshire force and he has also served with the department responsible for criminal intelligence.

Mr Stuart Kind, Director of the Home Office's Central Research Establishment for the Forensic Science Service, who is in charge of the team at Aldermaston, is another team member.

Mr Byford, a barrister, studied at Leeds University before joining the West Riding force in 1947. He served on the Detective Staff of Wakefield Detective School between 1959 and 1962 and at the National Police College, Bramhall.

In 1970 he was made Deputy Chief Constable of Lincolnshire and was Chief Constable of the county force between 1973 and 1977, and became Inspector of Constabulary for the South Eastern region in that year before taking up his present position in 1978.

BR food to cost more

By a Staff Reporter

Snacks and meals on British Rail trains will cost an average of 5 per cent more next Monday, the second such increase this year. A full English breakfast goes up to £5.50 from £5.15, coffee will be 25p a cup instead of 20p.

The increases, which will not affect travel buffers, are only on certain items. It is the policy of "Travelers' Fare, British Rail's catering division to make small but relatively frequent price increases.

British Rail said the increases were due to a cut in real terms in the contribution to train catering by the main passenger business. For the third year running the contribution to the catering fund has fallen, means a real cut of 12 per cent. Inflation and fewer passengers, caused by the recession, have also affected costs.

On Monday an "express-burger" rises by a penny to 56p, and a ham sandwich will cost 48p.

Union left blocks vote on Labour leadership

From David Felton, Labour Reporter, Blackpool

Left-wing political manoeuvres at a union conference yesterday ensured that delegates were not allowed to vote on the method by which members will be consulted on the Labour Party leadership issue.

Only 17 minutes was allowed at the Post Office Engineering Union conference for the debate on the deputy leadership conference for the debate on the deputy leadership conference for the debate on the deputy leadership conference.

Left-wing members said they will now mount a big propaganda campaign to persuade members to vote at branches in favour of Mr Wedgwood Benn.

Delegates at the union's annual conference at Bridlington, Humberside, are persuaded by Mr Benn 68 votes, Mr Denis Healey 53, and Mr John Silkin eight.

Anglicans quit church over woman priests

By Clifford Longley, Religious Affairs Correspondent

Four Anglican clergymen in Wales are resigning from their ministries and seeking admission to the Roman Catholic Church over the issue of the ordination of women. Three of the four took part in a public protest last December during the ordination of a woman as a deacon.

Two of the four, the Rev William Isaac, vicar of Gilfach Goch, and the Rev Malcolm Goch, vicar of Maerdy Fennell, both in Glamorgan, announced their decisions to their congregations on Sunday.

The names of the other two were being withheld, it is understood, because they have not yet done so. The Bishop of Llandaff, the Right Rev John Poole-Hughes, and the Roman Catholic Archbishop of Cardiff, the Most Rev John Murphy, knew their names, however.

There has been no adverse effect on relations between the two churches, it appears, with each side happy to compliment the other on the courtesy and understanding with which a potentially embarrassing matter has been handled. The Roman Catholic authorities asked the four men to speak to their own bishop before making any final decisions, and they did so.

The Bishop of Llandaff said in a statement that the Church in Wales regretted losing the "valuable pastoral ministry" of such men, and added: "Our main concern is for their happiness, and that they do what they feel is right and proper for them."

"We therefore respect their decision and the careful and considered way in which they have made it." The Archbishop of Cardiff said that out of respect for the four he wished to treat it as "a purely private affair."

All four are unmarried, and Mr Isaac said it was his hope, once admitted as a Roman Catholic, to seek ordination as a Roman Catholic priest. He believed the others had the same intention.

There had been no question of seeking any special dispensation from the Roman Catholic authorities, as happened when a much larger group of Anglican clergy in the United States applied for admission to the Roman Catholic Church and were given permission to continue to use the Anglican

liturgy, and to exercise a ministry while married.

Mr Isaac pointed out that the four had acted as individuals rather than as a group, and had offered their resignations separately. In his case the ordination of a woman deacon last December was not the only issue.

He agreed with Roman Catholic teaching on the authority of the church, and thought it was not for the Church in Wales, a very small part of Christendom, to decide the issue of ordaining women for itself.

"The move towards ordination of women to the priesthood marks such a radical departure from traditional Anglican teachings that it has been moved to take the positive step of seeking reconciliation with the Roman Catholic Church," he said.

Traditionally women have not been ordained either as deacons or priests, but have been recognized as deaconesses, a status which has not been regarded as part of the threefold ministry of deacons, priests, and bishops.

The Church in Wales has so far moved only to allow the ordination of deacons, but resistance to this decision was based largely on its being a step towards the ordination of women as priests. Since the governing body of the Church in Wales decided on the admission of women to the diaconate 13 months ago, 14 have been ordained.

The Church of England has so far not agreed to the admission of women to any of the traditional three grades of the ordained ministry, though the ordination of women as deacons has yet to be tested as a separate issue.

In some parts of the Anglican Communion women have been ordained as priests, and this is sometimes offered as the reason why there has been a trickle of clergy into the Roman Catholic Church in recent years.

There are a number of priests in England who have been ordained by the Roman Catholic Church, but the matter is pursued any further. It has become Roman Catholic policy not to encourage them particularly as the issue is part of the general theological discussions between the two churches.

TERRORISM BAR TO BID FOR ASYLUM

By a Staff Reporter

A new test is to be applied in considering the granting of political asylum to refugees: whether their status resulted from an act of terrorism. That has been disclosed in a letter to Lord Avebury, the Liberal peer and chairman of the all-party parliamentary human rights group, from Mr Timothy Reison, Minister of State at the Home Office.

Lord Avebury had written in support of an application for political asylum by two Pakistani refugees stranded in Damascus after the hijacking in March of a Pakistan International Airlines jet. They were among 150 political prisoners released by Pakistan in response to the hijackers' demands.

Both have brothers in this country, and Lord Avebury had asked for their applications to be treated urgently.

Mr Reison replied that they could not be said to be in need of asylum as they were not safely in Damascus where they had received assurances that they would not be returned to Pakistan.

Tories may lose vote on Gibraltar

By Lucy Hodges

Defeat may overtake the Government today on the issue of Gibraltar's right to British citizenship. After 14 painful weeks gestating in committee, the controversial British nationality Bill returns to the floor of the House of Commons where six Conservative MPs have tabled a clause ending Gibraltar's right to register as British. Labour MPs are expected to support them.

The Government has already decided to succumb to pressure from British citizens working abroad, and will be moving today to pass on allowing people to pass on their citizenship to their children for the next five years.

The whole question of transmission of citizenship to white British children born abroad is one on which ministers appear to be flexing their muscles strongly. Lobbied about this in the past few months, as have backbench Conservative MPs, and it is one of the few areas of the Bill in which there will be change when the House returns to the floor of the House for the report stage today, tomorrow and on Thursday.

The Gibraltar question is disturbing Tory and Labour MPs because they regard it as a special case. It is the only British colony which has never been a "crown colony" and it is part of the EEC. But under the Bill at present its inhabitants would be citizens of the British Dependent Territories.

There is unlikely to be any change in what Labour MPs will call the racialist aspects of the Bill, despite the vigorous campaign of the last few months. Although the Opposition, led by Mr Roy Hattersley, the shadow home affairs spokesman, will renew its misgivings about the Bill today, the critics' hopes are now pinned on the House of Lords.

They want six main changes in the Bill, including the restoration of ius soli, the right of those born here to be British, the creation of an appeal mechanism against a refusal of naturalization, and the retention of the right to register as British for those who already have it.

Interested parties are watching eagerly for what the bishops will do in the Lords. They have been strenuously lobbied by all sides, and the Government is worried about assured clergy. Lord Avebury, the Liberal peer, and some maverick Conservatives may delay the passage of what has turned out to be an embarrassing piece of legislation.

The Weather appears today on the back page.

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PC tells of shooting that left him paralysed

Police Constable Philip Olds described at the Central Criminal Court yesterday how he was shot by an armed raider, leaving him with injuries that paralysed him from the chest down and which have resulted in his being confined to a wheelchair.

It was thought I was dying," the policeman, aged 29, said as he gave evidence in the trial of two men accused of attempting to murder him. Stuart Blackstock, aged 26, of no fixed address, and Leslie Cooke, aged 21, of Elm Tree Avenue, Northolt, west London, both deny attempting to murder PC Olds and wounding him, intending to resist arrest.

PC Olds said he challenged the two men as they ran from an off licence shop they had successfully tried to raid. It was two days before Christmas last year and he was in a patrol car with another officer. They had stopped so that PC Olds could buy some of the off-licence in Willowtree Lane, Hayes, west London.

"As I walked towards the doorway I saw two men wearing balaclava masks running towards me. It was perfectly obvious what was happening," he said. "I could see the first man was carrying a silver coloured pistol. It looked like a revolver of a very large calibre. I knew instinctively he was a very dangerous man."

"I said to him 'If you shoot that bloody thing there will be 23,000 coppers who are going to do you.' I was referring to the number of men in the Metropolitan Police."

"I was about five yards from the man who shot me. I never got any closer. He straightened his arm and deliberately pulled the trigger. It was obvious I was going to get shot. I turned sideways in an effort to dodge the bullet."

PC Olds said the bullet hit him in the shoulder, the force throwing him to the ground. As he finished his evidence Mr Justice Skinner told him: "No one is in any doubt of your courage."

Mr David Tudor Price, for the prosecution, told the court that PC Olds had suffered grievous injuries. Although Mr Blackstock had fired the gun, Mr Tudor Price alleged that Mr Cooke had agreed to use it if necessary on the raid and therefore was equally guilty of attempted murder.

He added that as PC Olds lay helpless on the pavement Mr Cooke kicked him in the face.

The next day Mr Cooke "with apparent delight, boasted and laughed about the incident" to friends. He told them: "I am proud of what I have done. The copper deserved it. He should not have got in the way". Mr Tudor Price alleged.

He said the gun fired by Mr Blackstock was a .22 Luger loaded with dum-dum bullets. "Ruthless persons use this type of bullet."

The bullet which hit PC Olds did not have the dum-dum effect, but entered his spinal cord, instantly paralysing him. When arrested on Boxing Day, Mr Cooke is alleged to have told the police that he had agreed only to carry a replica gun. The court was told the gun he held was an imitation.

Mr Blackstock was not arrested until January. He is alleged to have said to the police: "I am your man. I am sorry—I will be all right?"

The trial continues today.

PC Philip Olds: "A man of great courage."

Whitehall brief Academic predicted defence review

By Peter Hennessy

The one thing Mr David Greenwood, Director of the Centre for Defence Studies at Aberdeen University, recoils from saying about the Government's defence review is "I told you so". But he and his team did tell Parliament and the public precisely that a year before it happened.

On a hot morning, on April 14, 1980, at an International Institute of Strategic Studies seminar convened in Covent Garden, London, to discuss the Conservative Administration's defence White Paper, Mr Greenwood, a Defence official responsible for balancing commitments against funds put on the traditional expression of the bureaucratic under stress when ministers chase to purchase the Trident strategic nuclear deterrent, then something would have to give. They did and it has.

The Aberdeen Study in Defence Economics Number 16, published in April 1980, posed what it called "the 56th question", what would have the Rhine Army, the British naval presence in the eastern Atlantic, or a bit of both and cheese-paring all round?

The reason Mr Greenwood refuses to go round telling the world that a handful of scholars 488 miles north of the Ministry of Defence main building in Whitehall got it right so far ahead of time is his fear that politicians and the media will come to expect too much from the Aberdeen centre.

Its team consists of Mr Greenwood, Mr Peter Foot, research fellow, and Margaret McRobb, executive secretary, and a handful of collaborators from other Aberdeen departments. Their budget (about £35,000 this year) is drawn from the university and the Ford Foundation. It stands firmly in the British tradition of the ship in a garret rather than the production-line style of North American think tanks.

Aberdeen's clairvoyance is based on a simple technique: it is arithmetic with some ruled paper. The stock-in-trade is ruled paper, pencil and rubber. Mr Greenwood says. He has no privileged access and feeds off openly available data.

Mr Greenwood does possess the priceless asset, however, of having spent 20 months as a member of the Government Economic Service in 1966-67 as part of the programme evaluation group that helped Mr Denis Healey with his second defence review, which led to the withdrawal from east of Suez.

He has been living off that brief spell inside for the past 14 years.

It means he does not "proceed without bearings" when he works out on his bit of ruled paper the choices implicit in the ministry's 10-year forward look at its long-term costs.

It is clear that one of the most avid consumers of the Aberdeen centre's product in Whitehall is Mr John Nott, Secretary of State for Defence. His speeches, press interviews and statements in the Commons about the configuration of his defence review bear an uncanny resemblance to an article appearing in the privately circulated magazine, *Defence Attaché*.

Mr Greenwood's by-line a month before Mr Nott was promoted to the defence portfolio in January.

Before Christmas Mr Greenwood's article concluded: "If the United Kingdom really does want to get its act in order for the 1980s—doing what it can do best and doing it well, rather than trying to do a bit of everything and some of it not very well—then Mrs Thatcher should make her move soon."

To paraphrase Buzby, British Telecom's well-known defence economist, someone, somewhere, was waiting for a message like that.

Aberdeen Studies in Defence Economics No 16, Spring 1980. "The Polaris Successor System: At What Cost?" Centre for Defence Studies, Edward Wright Building, Dundas Street, Aberdeen, AB9 2TY.

IN BRIEF Villagers in hunt for girl Fears grew last night for the safety of Anne Marie Hamilton, aged five, last seen at a heath council home in St. Mary's Mount, Wyke, Bradford, on Sunday night.

Split ruling on tuition of children

From Our Correspondent, Tenbury

A judge yesterday ruled that a family educating their children on their smallholding had provided satisfactory tuition for their daughter, but not for their two sons.

Judge Ward allowed an appeal by Mr and Mrs Geoffrey Harrison, of Rochford, Tenbury, Worcestershire, against a conviction for failing to send their daughter, Andrea, now aged 17, to school. But he refused to allow similar appeals in respect of their two sons, Grant, now aged 15 and Newell, aged 11.

Mr and Mrs Harrison have been fighting in the courts for eight years for the right to educate their children in their own way without interference from the local authority. They say the children suffer from dyslexia and have difficulty in reading and writing.

Judge Ward, announcing a reserved judgment at Hereford Crown Court, said he was satisfied that the system of project learning adopted by Mr and Mrs Harrison had been adequate in many respects. He said: "This is a case of responsible and caring parents doing what they believe to be best for their children."

But he criticized Mrs Harrison for refusing to have her children monitored by officials from Hereford and Worcester education authority.

But Judge Ward pointed out that Andrea Harrison could read and write, short-hand and read music, and in his view she was "educated" within the terms of the law.

He had reservations in the cases of the boys because of their inability to read and write competently. Because he felt that this was an essential factor in an education, he rejected the appeals.

Lord Mansfield, Minister of State for Scotland, will move a new clause to the Local Government (Miscellaneous Provisions) (Scotland) Bill which should make it harder for developers to avoid providing proper access facilities for disabled people in new buildings.

Under the Chronically Sick and Disabled Persons Act, 1970, builders had to provide access facilities where it was "in the circumstances both practicable and reasonable". There have been instances in the past 11 years when such facilities were not provided, mainly because nobody has enforced the law.

But under the Government's new provision developers must make "appropriate provision" for the disabled in new buildings unless a body, to be prescribed by Mr George Younger, Secretary of State for Scotland, is satisfied "that in the circumstances it is either not practicable or not reasonable that it should be made".

The Government has not made clear who will be responsible for seeing that the law is

enforced, but that is likely to be left to local government. Lord Mansfield's clause, brought forward during the International Year of Disabled People, will be widely welcomed.

Lord Ingleby, who is confined to a wheelchair, told *The Times* yesterday: "If the Government's new clause does what we think it does we will be very happy, although they have not spelled the whole thing out."

Although this applies only to Scotland it would imagine that having proposed it for Scotland the Government must allow a similar provision to be added to Mr Dafydd Wigley's Disabled Person Bill for England and Wales.

Lady Darcy de Knayth added: "What is important is that the developer has got to prove it is impracticable or unreasonable to do what is required. So the onus is on them."

The Government concession will apply only to new buildings, and today Lord Ingleby will urge the Government to accept another amendment that local authorities should appoint an official as an access officer. His job would be to encourage better access to existing buildings for the disabled.

Single appointment made to lead three Service boards

By a Staff Reporter

Mr John Nott, Secretary of State for Defence, yesterday completed the reorganization of the Ministry of Defence at ministerial level by designating Mr Peter Blaker, his new Minister of the Armed Forces, vice-chairman of the three Service boards. He will chair them in Mr Nott's frequent absence from their meetings.

Previously the vice-chairmanship had been held by the defence under-secretaries for the Navy, Army and Air Force. Beneath the ministerial veneer at its summit, the ministry, which employs 231,400, retains intact all its former departments. They include the Chiefs of Staff Committee, and the Army, Royal Navy and Royal Air Force departments, each with its own section of the defence secretariat answering to a senior civil servant at deputy secretary level.

Critics have argued that the logic of a single Ministry of Defence, created in 1964 by the merger of the Admiralty,

the War Office and the Air Ministry, has never been carried through its proper conclusion. They will not be assuaged by the single, albeit significant, steps of rationalizing the ministerial structure at defence.

In their eyes too many pieces of policy will continue to emerge coloured either "khaki, light-blue or dark-blue" as long as the Chiefs of Staff Committee and its supporting organization remains unreformed. The Prime Minister is among those who contend that the chiefs have failed to provide much-needed across-the-board defence advice, lobbying instead for the interests of their individual Services.

The Civil Service side of the three former Service departments was fused in 1964 under a single permanent secretary. But the Chief of the Defence Staff has never been given an equivalent sway over the First Sea Lord, the Chief of the General Staff and the Chief of the Air Staff.

Leading article, page 13

Four million workers on low pay Almost four million workers earn a gross wage of £75 a week or less, according to a Low Pay Unit report published today. The report urges unions not to campaign for a limit on overtime working unless they also seek a national minimum wage.

The unit argues that in all nearly 4,750,000 full-time adult workers are paid £75 or less for a 40-hour week, about two thirds of last April's average male wage. From November a family with two children earning less than £74 a week will qualify for family income supplement.

The report says that nearly 700,000 adult men avoid poverty wages only by working overtime. It adds that if the unions want reductions in overtime to ease unemployment, then they should also fight for a minimum wage.

Low Pay—1980s style (Low Pay Unit, 9 Poland Street, London, W1, 9sp inc. p and p).

Workers' sick notes plan for CBI study By Pat Healy, Social Services Correspondent

Workers will be able to supply their own sick notes when they are off work for up to a week under proposals discussed yesterday by the Cabinet H Committee on home and social affairs.

Mr Patrick Jenkin, Secretary of State for Social Services, made the proposal in an attempt to win the support of doctors for the Government's controversial plan to transfer responsibility for state sick pay to employers.

Mr Jenkin wants self-certification to start next April, a year in advance of the proposed employers' statutory sick pay scheme, to prove to sceptical firms that it is workable.

The Confederation of British Industry, whose opposition to the proposed new scheme led the Government to postpone it last February, is consulting its members on the self-certification proposal.

The CBI said yesterday that some members were concerned that absenteeism would increase if workers were allowed to take sick leave without a doctor's certificate. But those who already operated self-certification schemes believed they worked well.

Leaked Cabinet committee papers in the possession of *The Times* show that Mr Jenkin believes that winning the support of doctors for the new sick pay scheme is sufficiently important to override objections that self-certification would erode the public spending savings involved and employers' fears of potential abuse.

Mr Jenkin told his Cabinet colleagues yesterday that the public spending implications were not important, and that European experience showed that self-certification produced no discernible difference in people's behaviour.

Claims for short-term sickness pay might go up by about £3m a year in benefit costs, but that would be offset by £1m savings in prescriptions, since fewer people would visit their doctors if they did not need a

medical certificate when off work through sickness. Doctors have been arguing for more than 10 years that medical proof should not be needed for benefit purposes when the illness lasts a week or less.

Mr Jenkin told his Cabinet colleagues yesterday he believed the doctors had a strong case, and agreement on that point was the price of winning their consent to the proposed employers' statutory sick pay scheme.

As disclosed in *The Times* yesterday, the Cabinet H Committee also considered two new options for compensating employers for their extra direct wage costs under the new scheme. The options are to be included in a consultation paper to be published later this month.

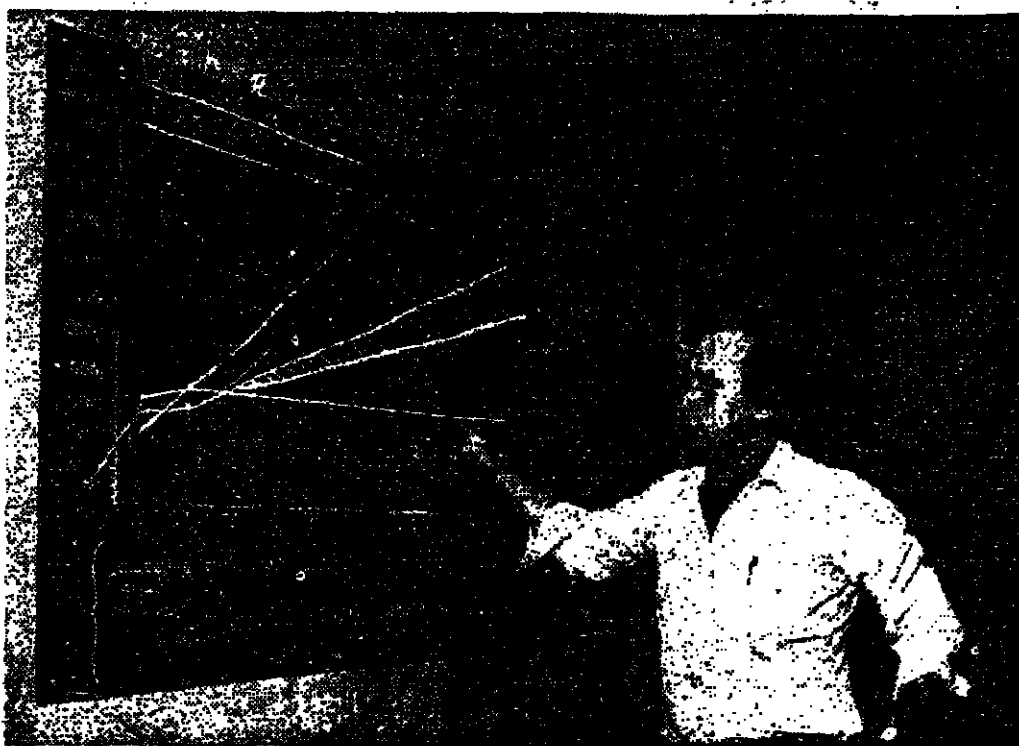
Two months will be allowed for comments to enable a Bill to be introduced at the start of the next parliamentary session.

Both the CBI and the Trades Union Congress declined yesterday to comment in detail because neither had been consulted. But the CBI said the reported options appeared simply to redistribute the available compensation without resolving the inequalities of the original scheme.

But one of the main Civil Service unions and the Child Poverty Action Group expressed hostility on the grounds that the needs of the sick were being ignored.

Mr David Heywood, assistant secretary of the Society of Civil and Public Servants, said his members would not cooperate with the new scheme, which was unnecessary and appeared to be designed to save Civil Service jobs rather than provide better sickness benefits.

Miss Ruth Lister, director of the society, said it was disconcerting that the Government appeared to be ignoring the widespread opposition to the scheme because it would make families with children worse off. The Government, she said, did not care two hoots about what happened to the sick.



Mr Greenwood: Blackboard projections on future defence spending.

Single appointment made to lead three Service boards

By a Staff Reporter

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Previously the vice-chairmanship had been held by the defence under-secretaries for the Navy, Army and Air Force. Beneath the ministerial veneer at its summit, the ministry, which employs 231,400, retains intact all its former departments. They include the Chiefs of Staff Committee, and the Army, Royal Navy and Royal Air Force departments, each with its own section of the defence secretariat answering to a senior civil servant at deputy secretary level.

Critics have argued that the logic of a single Ministry of Defence, created in 1964 by the merger of the Admiralty,

the War Office and the Air Ministry, has never been carried through its proper conclusion. They will not be assuaged by the single, albeit significant, steps of rationalizing the ministerial structure at defence.

In their eyes too many pieces of policy will continue to emerge coloured either "khaki, light-blue or dark-blue" as long as the Chiefs of Staff Committee and its supporting organization remains unreformed. The Prime Minister is among those who contend that the chiefs have failed to provide much-needed across-the-board defence advice, lobbying instead for the interests of their individual Services.

The Civil Service side of the three former Service departments was fused in 1964 under a single permanent secretary. But the Chief of the Defence Staff has never been given an equivalent sway over the First Sea Lord, the Chief of the General Staff and the Chief of the Air Staff.

Leading article, page 13

Four million workers on low pay Almost four million workers earn a gross wage of £75 a week or less, according to a Low Pay Unit report published today. The report urges unions not to campaign for a limit on overtime working unless they also seek a national minimum wage.

The unit argues that in all nearly 4,750,000 full-time adult workers are paid £75 or less for a 40-hour week, about two thirds of last April's average male wage. From November a family with two children earning less than £74 a week will qualify for family income supplement.

The report says that nearly 700,000 adult men avoid poverty wages only by working overtime. It adds that if the unions want reductions in overtime to ease unemployment, then they should also fight for a minimum wage.

Low Pay—1980s style (Low Pay Unit, 9 Poland Street, London, W1, 9sp inc. p and p).

Workers' sick notes plan for CBI study By Pat Healy, Social Services Correspondent

Workers will be able to supply their own sick notes when they are off work for up to a week under proposals discussed yesterday by the Cabinet H Committee on home and social affairs.

Mr Patrick Jenkin, Secretary of State for Social Services, made the proposal in an attempt to win the support of doctors for the Government's controversial plan to transfer responsibility for state sick pay to employers.

Mr Jenkin wants self-certification to start next April, a year in advance of the proposed employers' statutory sick pay scheme, to prove to sceptical firms that it is workable.

The Confederation of British Industry, whose opposition to the proposed new scheme led the Government to postpone it last February, is consulting its members on the self-certification proposal.

The CBI said yesterday that some members were concerned that absenteeism would increase if workers were allowed to take sick leave without a doctor's certificate. But those who already operated self-certification schemes believed they worked well.

Leaked Cabinet committee papers in the possession of *The Times* show that Mr Jenkin believes that winning the support of doctors for the new sick pay scheme is sufficiently important to override objections that self-certification would erode the public spending savings involved and employers' fears of potential abuse.

Mr Jenkin told his Cabinet colleagues yesterday that the public spending implications were not important, and that European experience showed that self-certification produced no discernible difference in people's behaviour.

Claims for short-term sickness pay might go up by about £3m a year in benefit costs, but that would be offset by £1m savings in prescriptions, since fewer people would visit their doctors if they did not need a

medical certificate when off work through sickness. Doctors have been arguing for more than 10 years that medical proof should not be needed for benefit purposes when the illness lasts a week or less.

Mr Jenkin told his Cabinet colleagues yesterday he believed the doctors had a strong case, and agreement on that point was the price of winning their consent to the proposed employers' statutory sick pay scheme.

As disclosed in *The Times* yesterday, the Cabinet H Committee also considered two new options for compensating employers for their extra direct wage costs under the new scheme. The options are to be included in a consultation paper to be published later this month.

Two months will be allowed for comments to enable a Bill to be introduced at the start of the next parliamentary session.

Both the CBI and the Trades Union Congress declined yesterday to comment in detail because neither had been consulted. But the CBI said the reported options appeared simply to redistribute the available compensation without resolving the inequalities of the original scheme.

But one of the main Civil Service unions and the Child Poverty Action Group expressed hostility on the grounds that the needs of the sick were being ignored.

Mr David Heywood, assistant secretary of the Society of Civil and Public Servants, said his members would not cooperate with the new scheme, which was unnecessary and appeared to be designed to save Civil Service jobs rather than provide better sickness benefits.

Miss Ruth Lister, director of the society, said it was disconcerting that the Government appeared to be ignoring the widespread opposition to the scheme because it would make families with children worse off. The Government, she said, did not care two hoots about what happened to the sick.

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Victims of inhumanity: A baby boy suffering from neglect and ill treatment, who was discovered by a NSPCC inspector; and Mrs Patricia Osman, a bus conductress attacked by three youths in east London on Sunday, recovering in hospital yesterday.

Two faces of violence in Britain today

NSPCC records more child abuse

By Frances Gibb

Cases of child-battering handled by the National Society for the Prevention of Cruelty to Children rose by almost a third last year, according to the society's annual report, published yesterday.

But the 1,363 recorded cases of non-accidental injury could be only the tip of the iceberg, Dr Alan Gilmour, the society's director, said in London. The true extent of child abuse was unknown because no national figures were kept and local authorities varied in how they kept their registers.

The society is facing the bigger workload with an £800,000 deficit at the end of last year, despite the overwhelming response to its public appeal for £1m. Dr Gilmour said: "We could easily balance our books by reducing services, but can we honestly do so, when more and more people are turning to us?"

One of the cases last year was that of baby Bobby, ignored for most of his six months and left crying for hours in filthy nappies, suffering hunger through lack of regular feeds.

A NSPCC inspector discovered him in time, lying silently staring into space, with a swollen stomach, legs and buttocks blistered and peeled, and open sores on his back because he could not move.

Another case was that of a 10-year-old girl, brought to the charity's notice when complaints were made about her ill treatment. An inspector found her with bruises on her

face and multiple bruises on the lower part of the body. Her mother explained that she had whipped the child with a stick as a punishment for getting up at night to do some cooking, during which she had burnt a pan.

The increase in cases of battering, from 1,052 the year before, was partly due to greater publicity about the charity's work. Dr Gilmour said. Altogether, the society handled cases involving 50,657 children in England, Wales and Northern Ireland last year, only 4 per cent of which did not require a second visit. Apart from child abuse, they included more than 3,000 cases of neglect, over 3,500 cases of children left alone and over 1,700 of children potentially at risk.

Chief reasons for serious injury, based on the latest figures from the society's special units, where such children were registered, were marital discord, unemployment, the parents' poor self-esteem and financial difficulties.

There was a notable rise in cases involving marital discord. The report said it was recorded in more than half the families of registered children.

Another increase was in the number of fathers and father substitutes, such as step-fathers, cohabiters and boy friends, suspected of having caused the injury. They were twice as likely to be implicated as the children's mother, according to the society's report.

The NSPCC says it is concerned about the public outcry over two or three recent cases where children had been left at home with fatal consequences. As a result social workers had reacted defensively and removed children where they did not always feel it to be justified.

Faced with the dilemma of whether a child should be left at home with the risk of further abuse, or removed and put at risk of emotional damage, research had shown that where the child was left in the family with extra support and supervision the rate of repeated injury was only 10 per cent.

The society says there has been an encouraging increase in the number of parents seeking help. The report cites a case of a couple in a high-rise block with two young children and the father off work through an accident.

Quarrelling over financial worries resulted in the father lashing out at the mother when she was holding the baby. The husband realized at once that he needed help and got in touch with the charity, which was now helping the couple to move and settle their debts.

Dr Gilmour expressed great concern about the wide variation between local authorities in keeping registers. Despite guidelines from the Department of Health and Social Security, many registers were not up to standard, as a result of which there were no national figures on child abuse.

1980 Annual Report and Supplement (NSPCC, 1 Ridgeway House, London, W1, 1L).

Concern grows at increase in attacks on elderly

By Craig Seton

A national survey of what appears to be an alarming increase in the number of violent attacks on and robberies from old people, sometimes for only a few pounds, is to be made by Age Concern, the pressure group for elderly people.

Groups representing the elderly and some police forces are worried that old people are increasingly being singled out for attack, and that in many cases young people act viciously against helpless victims.

Research into attacks on elderly people is seriously hampered by the lack of information on the age of the victim. Age Concern, using its own research department, hopes to be able to present some figures to show the scale of the attacks.

Northumbria Police, which covers the Newcastle upon Tyne area, is conducting this year a "Help the Elderly Live in Peace" campaign. Its compilation of crime figures for last year shows the extent to which the elderly are victims of violence and robbery.

The figures show that people aged 59 and over were victims last year in the police area in the following way: One murder, from a total of 11, one attempted murder from two, and two cases of manslaughter from two.

Other figures, with the totals in brackets, are: Wounding, 3 (165); wounding and assault causing actual bodily harm, 82 (3,341); rape, 3 (17); aggravated burglary, 3 (21);

burglary, 3,485 (14,555); robbery, 56 (262); and theft from the person, 313 (835).

The figures fit in with a widely held belief that the elderly in Britain over retirement age, 28 per cent of whom live alone, are particularly vulnerable.

Groups helping the elderly are particularly concerned that violence is frequently used when elderly people resist attacks, sometimes in the face of hopeless odds, because the amount of money they are protecting is all they have.

Mr Hugh Faulkner, director of Help the Aged, said: "I would hope and counsel elderly people if they are attacked in the home or the street that they should not resist."

Elderly people are being advised to take precautions against the possibility of attack or robbery.

Only two days ago in Southampton a woman of 81 who prevented an intruder climbing through the window of her invalid daughter's bungalow was hit in the face by a brick.

In East London yesterday anti bus crews at Bow staged a 24-hour strike to protest at a vicious attack on Mrs Patricia Osman, a conductress, aged 50, who was thrown from her stationary bus at Stratford on Sunday by three youths who refused to pay their fare.

Mrs Osman received a broken hip, a broken nose and facial injuries.

Drainage of marshland plan attacked

A plan to drain 5,800 acres of the Norfolk Broads might destroy the biggest stretch of classic landscape there and waste £350,000 of public money, it was said at a press conference in Norwich, yesterday.

Calling for an immediate public inquiry, Mr Robin Grove-White, director of the Council for the Protection of Rural England, said the scheme had been planned on a "scandalously inadequate basis, even in economic terms."

A land drainage authority has asked the Ministry of Agriculture for cash to help to finance drainage of part of the Halvergate Marshes, near Great Yarmouth. The Broads Authority will consider the first phase of the scheme on Friday.

"The marshes' wholesale conversion to intensive arable cultivation or improved grassland management would mean a major loss of amenity to the nation as a whole and to the Broads in particular," Mr Grove-White said.

That is why the council has urged Mr Peter Walker, Minister of Agriculture and Food, to set up an immediate public inquiry into all three phases of the proposal.

Change in the character of the area, the most extensive block of open-marsh grazing land remaining in the Broads, would be dramatic, he added.

The most extraordinary feature of the proposal was the ease with which large sums of public money could be made available to the promoters, Mr Grove-White said.

"The public could well end up paying for the destruction of one of the key landscapes in the Norfolk Broads in a scheme which could bring no net public benefit."

It would benefit individual "thoroughly unsound public investment," he added.

British airliner makes successful debut

A new British airliner, the Short Brothers 360, made a successful maiden flight from the company's airfield at Belfast yesterday (Our Air Correspondent writes). Mr Lindsay Cummings, Short's chief test pilot, reported no snags on a two-hour flight.

A 36-seater, the 360 prototype is to undertake a concentrated programme of test flying before leaving for the Paris Air show, which opens on Friday.

Shorts hope to impress potential buyers at the show. The 360, a development of Short's 30-seater 330 airliner, has so far been sold to four airlines, with orders or options to buy 11 aircraft.



Dr McCabe: "Great asset."

MacCabe is made a professor

By John Withrow

Dr John McCabe, Cambridge don at the centre of a prolonged academic dispute within the English faculty over structuralism, has been appointed Professor of English Studies at Strathclyde University, Glasgow.

Dr McCabe, aged 31, a fellow of King's College, will take up his new post in October. His promotion from assistant lecturer to professor at a relatively young age was described yesterday by Professor Alan Sanderson, chairman of Strathclyde's English department, as a "bit unusual but not unprecedented."

Dr McCabe first came to public notice when the English faculty appointments committee at Cambridge decided not to promote him to the post of university lecturer at the end of a five-year contract as assistant lecturer. The promotion had been recommended by the faculty board.

The refusal to upgrade him led to a crisis within the English faculty, with allegations of threats to academic freedom.

Dr McCabe's supporters said his appointment was blocked by dons opposed to his structuralist approach to English literature and to a wide and progressive range of teaching methods. As the dispute developed some senior professors were voted off committees or resigned.

Dr McCabe will now become one of two English professors at Strathclyde, whose English department has 15 lecturers. Professor Sanderson described Dr McCabe as one of the ablest men of his generation.

He said the students Dr McCabe would be teaching would be markedly different from Cambridge undergraduates.

Dr McCabe, whose income will rise from about £7,000 a year to a minimum of £15,730, is expected to include structuralism in his teaching. He has written a highly acclaimed book on James Joyce and is planning to specialize in Milton.

Move on summary trials blocked

By Peter Evans, Home Affairs Correspondent

Moves backed by Lord Hailsham of St Marylebone, the Lord Chancellor, to remove the right of people on minor theft charges to trial by jury, have been rejected by Mr Patrick Mayhew, Minister of State at the Home Office.

He has told Mr John Wheeler, Conservative MP for the City of Westminster, Paddington, and vice-chairman of the all-party Parliamentary Penal Affairs Group: "For the present I cannot promise that the Government will be initiating any action in this area."

Mr Wheeler said yesterday: "I intend to argue these proposals in the Home Affairs Select Committee. I seem to have on my side the Magistrates' Association, the Justices' Clerks Society and the Lord Chancellor of England."

Lord Hailsham told the select committee, in reply to a question from Mr Wheeler: "I believe there is scope for legislation in this field, but you would have to tackle Mr Whitehead about it."

In a letter to Mr Wheeler Lord Hailsham gave estimates that in 1979 about 7,000 cases involving theft and handling of stolen goods valued at no more than £50 were committed for trial in the crown court. Of that number about 6,000 cases involved goods valued at up to £40 and about 4,000 cases goods up to £20.

"It has been estimated that the net annual cost to the crown court system at 1980 prices of trying on indictment theft and handling cases involving amounts no greater than £50 is about £6m; in respect of values up to £40, about £5m; and for goods up to £20, about £4m."

Lord Hailsham said that if small theft and handling cases could be tried only summarily, the benefit would lie in the reduction of backlogs and delay rather than of expenditure.

Delegates at the annual meeting of the Magistrates' Association last October passed by a large majority a resolution calling for the law to be changed so that people charged with the theft of goods valued at less than £50 must be tried by magistrates.

Lord Hailsham quotes the example of a London crown court spending a day and a half trying a man for stealing a milk bottle.

In his letter to Mr Wheeler, Mr Mayhew referred to opposition "from all quarters" to the former Labour government's attempt to implement a similar proposal in the Criminal Law Bill of 1976-77. The Government conceded defeat on the point.

At present, however, low the value of the goods a defendant charged with theft can choose trial by magistrates or a jury trial at a crown court.

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Honeymoon vote will benefit Mitterrand

From Ian Murray, Paris, June 1

The month of June and the official legislative election campaign in France opened on the same day this year. This specially extended polling season finds the parties of the left hunting an extra 40 seats to provide a new majority for the National Assembly to enable President Mitterrand to carry out his programme.

Every French election campaign is accompanied by a rash of opinion polls, posters and rhetoric. The present one is no exception, even though it is under way only three weeks after the presidential election ended.

An IFOP opinion poll published by Le Point today shows that the Socialists are away to a flying start, with an estimated 36 per cent support. The Communists are credited with 14 per cent and the extreme left with 2.5 per cent, which would mean a sound victory in the two rounds on June 14 and 21.

Another poll, compiled by Sociopoll for Le Nouvel Observateur, shows that 44 per cent of the population are optimistic about the new President's chances of making a good job of his time in office, compared with 27 per cent who are pessimistic.

Posters working for Le Quotidien de Paris, discovered that 54 per cent of the population had confidence in the new President, compared with 34 per cent who were worried about the future under his rule.

These polls tend to show that President Mitterrand is enjoying the "period of grace" which he himself predicted would be his if he were elected. The most notable findings are those that show how many people are now prepared to accept him as Head of State, while at the same time support for his Socialist Party is surging ahead.

The 36 per cent Socialist support is more than 10 points better than the President scored in the first round of the presidential elections only just over a month ago and shows the tremendous surge that victory has given the party. At the same time the Communist support would seem to have dropped below the 15.2 per cent scored by their candidate in the same first round a month ago.

The indications are, therefore, that the Socialists seem to be destroying the Communists now that they have been able to prove they are capable of successfully opposing the traditional power of the right.

Significantly a huge amateur slogan painted on a motorway bridge leading into Paris from the north has been altered in the past week. For years it had read "Vote Communist". It now urges passing motorists to "Vote Socialist".

The present Communist representation of 86 in the National Assembly could be cut to under 30.

This honeymoon period will probably be long enough therefore to ensure the left secures a majority in the National Assembly, and one which is predominantly Socialist. If Communist ministers are included in a post-election Government, they will most likely be given positions which lack prestige and included only to ensure that the Communist Party does not resentfully stir up trouble for the Government as a whole.

The first proper round of negotiations between the Socialist and Communist Parties for an electoral pact takes place tomorrow morning, with the Socialists as the senior partner playing host at their headquarters. The Communists are already saying how optimistic they are of reaching the agreement they failed to reach before the last legislative elections in 1978.

Meanwhile M Pierre Mauroy, the Prime Minister (found to be at least "satisfactory" by 63 per cent in one of today's polls) has begun detailed negotiations with trade unions for increasing the basic wage, a fifth week of paid holidays and a 35-hour working week.

No details have yet been fixed, although the union leaders all emerged from the talks saying how happy they were with the way things were going—an unheard of unanimity under the last Government.

The final decision on how much the basic minimum wage will be increased is due to be taken at Wednesday's Cabinet meeting. If the agreed amount is around the 10 per cent called for by the Socialist CFDT union, it will increase the national wage bill by up to 5 per cent.

Other popular measures due for early implementation are increased family allowances, housing subsidies and old age pensions. The honeymoon period between the electorate and the Government is likely to be all the sweeter in consequence, with the bill not due for implementation until after the elections.

According to an estimation by the financial daily Les Echos today, that bill is now likely to total about 90,000m francs (£7,500m) more than estimated by the last Government for this year alone.

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No details have yet been fixed, although the union leaders all emerged from the talks saying how happy they were with the way things were going—an unheard of unanimity under the last Government.

The final decision on how much the basic minimum wage will be increased is due to be taken at Wednesday's Cabinet meeting. If the agreed amount is around the 10 per cent called for by the Socialist CFDT union, it will increase the national wage bill by up to 5 per cent.

Other popular measures due for early implementation are increased family allowances, housing subsidies and old age pensions. The honeymoon period between the electorate and the Government is likely to be all the sweeter in consequence, with the bill not due for implementation until after the elections.

According to an estimation by the financial daily Les Echos today, that bill is now likely to total about 90,000m francs (£7,500m) more than estimated by the last Government for this year alone.

Significantly a huge amateur slogan painted on a motorway bridge leading into Paris from the north has been altered in the past week. For years it had read "Vote Communist". It now urges passing motorists to "Vote Socialist".

The present Communist representation of 86 in the National Assembly could be cut to under 30.

This honeymoon period will probably be long enough therefore to ensure the left secures a majority in the National Assembly, and one which is predominantly Socialist. If Communist ministers are included in a post-election Government, they will most likely be given positions which lack prestige and included only to ensure that the Communist Party does not resentfully stir up trouble for the Government as a whole.

The first proper round of negotiations between the Socialist and Communist Parties for an electoral pact takes place tomorrow morning, with the Socialists as the senior partner playing host at their headquarters. The Communists are already saying how optimistic they are of reaching the agreement they failed to reach before the last legislative elections in 1978.

Meanwhile M Pierre Mauroy, the Prime Minister (found to be at least "satisfactory" by 63 per cent in one of today's polls)

How Labour will change Israeli defence policies

From Christopher Walker, Tel Aviv, June 1

The right-wing Israeli Government's twice-repeated pledge to defend the Christians of northern Lebanon against Syrian air attacks will be immediately rescinded if the opposition Labour Party wins the general election on June 30.

The controversial commitment was first given after a secret meeting between Lebanese Phalangist leaders and senior Israeli ministers in August 1978. It was repeated last April—only a few weeks before the still unresolved crisis over Lebanon was precipitated when Israeli jets shot down two Syrian military helicopters.

In an interview with *The Times*, Mr Haim Bar-Lev, who will be the Defence Minister if Labour wins, said that the Israeli commitment was not a pact nor a treaty. It had never been written down and had never even been referred to the full Cabinet for approval by Mr Menachem Begin, the Prime Minister.

"We are not going to repeat it. We are willing to assist the Christians of northern Lebanon with weapons training and so on. But we are not going to fight instead of them. We are not going to be dragged into wars which are not in our national interest," Mr Bar-Lev said.

The Labour politician, who is a former Israeli Chief of Staff, said that his party would point out to the Phalangists that they only had a limited military effect against Syria and would warn them not to indulge in operations beyond their scope. Mr Bar-Lev flatly denied recent claims by Mr Begin that the Syrians were preparing to wipe out the Christian community in Lebanon and the regretted the Prime Minister's comparison of the situation in Lebanon with the Nazi Holocaust against the Jews.

Condemning the Government's handling of the crisis, he said: "The moment that you tell them (the Phalangists) that the Israeli Air Force will protect them against the Syrian Air Force, they will allow themselves to take military initiatives which are beyond their military potential."

The Labour Party's determination to scrap the commitment to intervene in Lebanon is certain to be the target of bitter criticism by the Government when the Knesset is recalled on Wednesday for an emergency debate to discuss the continuing missile crisis.

Labour pressed home its election attack today with a scathing series of half-page advertisements designed to undermine Mr Begin's credibility as a national leader. Under an unflattering picture of the Prime Minister in a wild ranting posture, the copy declared: "This man cannot be relied on to bear the respon-

sibility for the conduct of Israel's defence affairs."

Describing how Labour's approach would be different Mr Bar-Lev said: "We would talk less; we would threaten less. We would use diplomatic ways, quiet ways to try and secure Israel's real interest in the question."

"If there was no result whatsoever and our clear interests were not secure, there are always ways and means to deal with it, but you'd not have to talk about it. You do not have to threaten and you do not have to climb high trees."

Mr Bar-Lev strongly implied that a future Labour administration would also take action to remove the more than 100 militant Jewish settlers who are now living—protected by a heavy army guard—in the centre of Hebron, the largest Arab town in the occupied West Bank.

He said that Labour would take wide-ranging action to defuse tension and build up confidence in the occupied territories. This would include abandoning the Government's plan to take over the East Jerusalem Electric Company and a holding-off from building settlements in heavily populated Arab areas like Hebron.

Asked whether this would involve enforced evacuation of the Jews living in such settlements, he said: "Maybe we would move them, but I do not want to be specific in things that the Government has to decide."

His reticence clearly demonstrated Labour's concern about outlining in any detail its future plans to deal with the massive expansion of settlements under the present Government. Mr Bar-Lev openly accused Mr Begin of planning to annex the whole West Bank to Israel.

Commenting on the missile crisis, Mr Begin told reporters in Jerusalem that Israel would have to set a time limit to the American diplomatic mission headed by Mr Philip Habib, which is due to resume later this week. But he refused to reveal how long such a limit would be. It was impossible, the Prime Minister said, to carry on the talks for ever without any practical result.

Sadat proposal on Jerusalem

Jerusalem should be reunited and administered by a joint Arab-Jewish council and joint Arab-Jewish police, Mr Anwar Sadat said yesterday when he visited Israel.

Mr Sadat, whose remarks yesterday were fully reported by Israeli radio, said he had told Mr Begin that the Jewish prayer site of the Walling Wall was in the Arab sector, he had no objection to Israeli flags flying over the Jewish holy places.



"On your marks... get set..."

Teresa team offers help to Chinese

From Our Correspondent Hongkong, June 1

Mother Teresa, the 1979 Nobel Peace Prize winner, is indirectly renewing an offer to help the poor and elderly in China, which it has been revealed, was rejected by Peking in 1978.

She has organized a group of four Missionaries of Charity, an Australian and three Indian nuns, to take charge of the Santa Maria home for 200 elderly and disabled women in the Portuguese colony of Macao, on the Chinese border.

Welcoming the move, the Bishop of Macao, the Right Rev. Rodrigues da Costa, said that it could embarrassingly remind the Chinese of their rejection of her original offer of help with the reply that "they were revolutionaries and did not need her services."

Mother Teresa had replied: "My work is not revolutionary, nor ordinary social services."

"The people who have nothing, who have nobody, who have forgotten what human joy is, who are rejected, unwanted, unloved, unrecared, naked and homeless, these are our people."

The fact that Mother Teresa was awarded the Nobel Prize a year later for her work among the old and dying in the slums of Calcutta, and the recent change in Peking's attitude towards acceptance of foreign help, could well bring about reconsideration of its ban when the new group of missionaries arrives in Macao.

A group from the male branch of the Missionaries of Charity is operating an old men's home in Macao.

Communists refuse to join new Forlani Cabinet

From Peter Nichols, Rome, June 1

Signor Arnaldo Forlani, the Prime Minister-designate, today consulted the principal parties in his attempt to give Italy a new government to replace his coalition, swept away last week by the force of the masonic scandal.

The Communists were completely adamant in refusing any agreement. They are determined to leave opposition only if they are assured some participating role in a government with a strong programme of reform.

They have already stated that they will not countenance the return of Signor Forlani, whom they accuse of trying to cover up the seriousness of the P2 Masonic group affair.

This scandal concerns the lists of leading public figures said to belong to a group or-

ganized by Signor Licio Gelli, a figure prominent in Italian Freemasonry, now in hiding after being charged with sabotage.

Signor Forlani spent two hours with the Socialist leaders, but the meeting appears to have been indecisive. The Socialists later said that the outcome of these discussions would be reported to their national executive for a complete review of the situation and the role the Socialists might play.

They are taking an undramatic approach, claiming that they were not to blame for the fall of the Government and that they are not for the moment putting demands for "pre-conditions" as the price for their cooperation.

Signor Forlani continues his talks tomorrow in an atmosphere not marked by optimism.

Salvador bullets queried

By Our Foreign Staff

Mr Dennis Davies, a Labour Opposition spokesman, on foreign affairs, has asked the Government—how, despite a three-year arms embargo, Government forces in El Salvador have been using British-made bullets.

According to evidence supplied by the London-based Catholic Institute for International Relations, a newly-used bullet box was picked up by a Catholic church worker in a provincial town in El Salvador at the end of April.

The yellow label on the box bore the ICI trade mark, and

said that the bullets were manufactured at the Kynoch factory, Birmingham.

Britain has maintained a strict embargo on the sale of arms since December, 1977. Although a spokesman for the institute said it was conceivable that the box was an old one "pre-dating the embargo," he said that was unlikely since Government troops had been short of ammunition earlier this year.

The institute has asked the Government to set up an inquiry into the use of the bullets.

Press faces 'cold wind' in S Africa

From Eric Marsden Johannesburg, June 1

Mr Allister Sparks, who was dismissed at the weekend from his post as editor of South Africa's best-known newspaper, the *Rand Daily Mail*, said at a farewell meeting with his staff today that he was afraid that as a result "a cold wind will blow through the English-language press."

He added that it was "a lousy way to go" after 22 years with the group.

Mr Sparks, who was given the option of resigning but refused, was given no official reason for the decision. He had been editor for four years. Under his leadership the *Rand Daily Mail* won a reputation for investigative journalism and for its strong anti-government line, which was more pronounced than that of any other newspaper in the South African Associated Newspapers group.

In 1979 it played a leading role in exposing the Information Department scandal within Mr John Vorster's Government. This led to Mr Sparks being named as joint international editor of the year by *Atlas World Press Review*. It also made him many enemies in the ruling National Party.

His dismissal is widely assumed to be due to loss of circulation and advertising revenue caused by the *Mail's* championship of the black cause. Several members of the staff believe, however, that political pressure was put on the newspaper's board.

Mr Terence Myburgh, who is editor of the Associated Newspapers Group's *Sunday Times*, will also take over the *Rand Daily Mail*.

Johannesburg bombs greet festival climax

From Ray Kennedy, Johannesburg, June 1

Crudely-made petrol bombs exploded in two offices of the white opposition Progressive Federal Party in Johannesburg early today hours before South Africa's military might went on display in the coastal city of Durban in a mile-long parade marking the climax of the republican festival.

A third petrol bomb attack was made on another of the party's offices in Johannesburg but the bomb failed to explode when it was thrown through a plate glass window.

Responsibility for the attacks was claimed by a hitherto unknown group which named itself the South African Liberation Support Cadre.

Shortly before the deserted offices were attacked, a young white man handed two envelopes to a security guard at the Johannesburg offices of the South African Press Association, which distributes local and foreign news to South African newspapers.

The envelopes contained messages condemning the Progressive Federal Party's involvement with the all-white South African Parliament. They accused the party of representing the most privileged and richest sector of South African society—an accusation with which many supporters of the ruling National Party would agree—and claimed:

"You reject the most basic human rights, such as universal franchise, and advocate a so-called federal system, as opposed to a unitary South Africa for which all democratic and progressive forces are fighting."

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In Durban, units representing 11 battalions of the Army, Navy and Air Force marched past a dais at which Mr P. W. Botha, the Prime Minister, surrounded by most of his Cabinet and representatives of the independent Bantustans, proudly took the salute.

The parade was led by seven blind veterans of the Second World War who marched past the dais with linked arms while a privately owned Spitfire roared overhead, almost at tree-top height. Then came phalanxes of men and women of the armed services, followed by an impressive display of mobile fire power in the shape of armoured cars, tanks and missile launchers.

South Africa showed nothing new, but enough to indicate it has one of the best equipped armies in Africa. There were massive security precautions against possible African National Congress attacks.

A black youth was shot and wounded by police today when students from the black University of the North attacked a police station near the campus, north of Pretoria.

Wearing black armbands, Bruce Fordyce, a Johannesburg (AF) reporter, He sported the black armbands to protest against the linking of the sports event with the national anniversary festivities.

Bishop Tutu unable to collect Greek prize

From Mario Modiano, Athens, June 1

The Onassis prize committee has been told that the Right Rev Desmond Tutu, the Bishop of Lesotho and secretary-general of the South African Council of Churches, will be unable to receive in person the Athina prize awarded to him in 1980, because the South African Government refused to return his passport.

Bishop Tutu was awarded the prize for his "outstanding struggle against racial discrimination, and his work in favour of a peaceful and to apartheid." He had his passport withdrawn after returning from a visit to Europe earlier this year.

The Athina prize as well as the Olympia prize for ecology, which was awarded to the International Union for the Conservation of Nature and Natural Resources (IUCN), will be presented by President Karolos at the annual ceremony in Athens on Friday. Each prize carries a cash award of \$100,000 (about £48,000).

The Athens newspaper, *Kathimerini*, whose publisher, Mrs Helen Vlachos, sits on the international committee for the Onassis prize, yesterday published an appeal for the

Government of South Africa to let Bishop Tutu come to Greece and receive the non-political prize.

"The honour made to Bishop Tutu," the newspaper said, "cannot but reflect on his own country which now celebrates its 20 years as a democracy. To let him come would be a gesture of good will towards our country while, we take the risk of saying it, a democracy should not feel threatened or discredited if one of its critics is allowed to travel abroad."

If Bishop Tutu is not issued with a passport in time for the ceremony, the prize will be received in his stead by Mrs Marion Dönhoff, the publisher of *Die Zeit*, a member of the committee who was to have introduced Bishop Tutu at the ceremony.

The Olympia prize will be received by Mr Muhammad Kassas, president of the IUCN, an organization based in Switzerland which made an important contribution to the conservation of the Greek fauna, especially the Mediterranean monk seal, *Monachus Monachus*.

Robert Fisk finds terror and tranquillity in a troubled land

Shelling in Beirut kills 10

Beirut, June 1—Another 10 people were killed and 23 wounded by shelling in Beirut today as the fighting between Syrian troops and Phalangist militiamen resumed after a brief but hopeless overnight ceasefire.

The latest casualties bring the fatalities in the city to more than 35 in the past two days. About 200 people have been wounded.

Most of the shells today were fired by the Syrians and fell in four suburban areas of Christian Beirut. At one point in the afternoon the guns were firing a shell every eight seconds.

Expecting reprisal attacks from the Phalangists, shops and office owners in west Beirut, which the Syrian still control—closed at lunch, leaving the streets empty.

Among the Syrian targets was the Christian-held area of Hazmieh, where President Sarkis's palace and residence are situated. The Phalangist shells fell around the coastal Bin Mousa district, where the Maronite Nasserite militia keep their Grad missiles, which they regularly fire at the Christian fort of Jounieh.

Shortly after 7 pm two shells hit the home of the United States ambassador. There were no injuries, although police officials said that the dead to-day included two Lebanese soldiers, apparently killed by Syrian gunfire.

Right-wing radio stations also reported a resumption of sniping around the Christian town of Zable, in the Bekaa valley, which is surrounded by Syrian troops. They have been shelling the town at night.

Tel Aviv: Mr Menachem Begin, the Israeli Prime Minister, said tonight that Israel could in two hours destroy the new Syrian missile sites in Lebanon and along Syria's border with Lebanon (Christopher Walker writes).

He repeated an earlier Israeli threat to take military action against the Syrian missile sites if they were not removed by diplomatic means. Referring to the mission of Mr Philip Habib, the American special envoy, who is due back in Israel next week, Mr Begin said Israel was willing to wait patiently for another day or another week, but added: "There is a limit to such patience. There must be a limit to such patience."

Peace in a corner of Lebanon

Kfar Shihail, Lebanon.—Old Father Tannous Assam, a hill billy figure if ever there was one, with his long black beard and his ragged white trousers, took his worry beads from a peg on the wall much as a man might pick up his pipe.

Then he sat down on a broken wooden chair next to the open door, stared hard at his visitors, flicked the first beads down the chin chain, and announced that his little Christian Maronite village owed all its good fortune to God and Mr Abu Khadra.

Outside, a warm breeze brought the thick smell of oranges up the wadi and the rectangular forecourt danced in the shadow of the vines. A cock crowed beside the church, and the mule in front of the house flicked its ears at the flies.

Father Assam spread his hands out wide. "All my life there has been peace between our village here," he said. "During the civil war, I preached love and peace in my church. But God has protected us. And when Mr Abu Khadra came to this region in the war and bought the farm, he gave all our village work. Now we thank God that he came to us."

In any other corner of Lebanon, Father Assam would have mentioned that Mr Abu Khadra was a Palestinian, but down in Kfar Shihail, the distinction is apparently forgotten.

In the doorway of Father Assam's house, there lingered four Muslims from Kfar Beit, four miles up the road. They greeted the old man warmly, the Shia Muslim villagers and the Maronite priest, kissing each other on the cheeks in the Arab fashion.

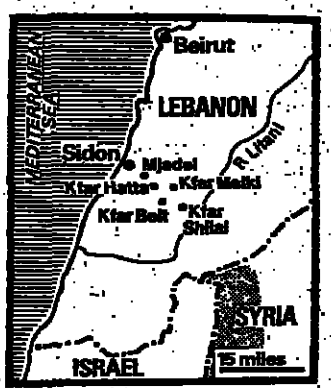
"You see how there is peace and love between us?" Father Assam asked.

They ask strangers the same question all along the ridges east of Sidon where the south Lebanese villages cluster protectively around the high ground.

Each seems to cultivate its special crop: there are tortured, hump-backed olive trees outside Kfar Melki, lemons beside the road to Kfar Beit, almonds and nuts outside Majdal.

The land has been overworked but the express pride of all the villagers goes to what they call the Farm. It is Mr Abu Khadra's 321-acre property and the villagers pointed it out in the way believers show off a local shrine.

"I am sorry Mr Abu Khadra is not here," his driver apologized, "but would you like to look inside his palace?"



It is not really a palace, more a large square house, but it is magnificently furnished: adorned with fine paintings and a view across the hills towards the Israeli frontier.

Everyone tells you that this is how the old Lebanon used to be, before the cancer developed in the body politics, and rotted the relationships between Christian and Muslim. Young Ghassan Hamieh, the son of the village elder in Kfar Hama, a Shia Muslim village on the same ridge as Kfar Shihail, regards it as a kind of Utopia.

The name of Abu Khadra, the absent Maccenas of this little Ruritanian, crops up like a punctuation mark in every assertion. He has clearly managed to persuade, cajole or pressure every gunman from the area.

Kfar Shihail lies across the "red line" that Israel has drawn through southern Lebanon, across which Syrian troops may not pass. Yet there is not a Palestinian guerrilla to be seen.

We found him in his Beirut apartment, an eighth-storey penthouse off Rue Verdun in which coloured photographs of race-horned century romantic paintings and where Persian carpets led to a marble room where an artificial waterfall played.

Mr Abu Khadra is a multi-millionaire, a round-faced, almost chubby man in an immaculate blue suit who smiled every few seconds and liked to talk about horses and his beneficence.

"I put millions of pounds into the farm when I bought it in 1976," he said. "There was great tension between Christians and Muslims. The Christians were very suspicious of me when I first arrived. But when I helped them, they came to trust me."

"I built a school for the

six villages that cost me 1m Lebanese pounds (about £200,000) and put about 800 Lebanese pounds into the villages. I love it there."

The people of his villages now feel secure. Mr Abu Khadra assured us. "I saw Yasser Arafat, the Palestinian leader. He is an old friend of mine, and I said to him: 'You do not need this area for your fighters. If you need it, you can have it, but it is your second line of battle and you do not need your men there now.' He agreed not to put any bases there."

"Of course, I would not spare a minute before helping the Palestinian fighters—but you must have a balance. The area is surrounded by troubles and the people there are afraid of what happens outside so they keep themselves safe."

There is no doubt that Mr Abu Khadra is indeed close to Mr Arafat. It was in that marble room that the PLO leader first met the British Ambassador in Lebanon. So how does Mr Abu Khadra maintain law and order in his villages? Was there not a heavy hand to patronage?

"We had a man who cut down trees," he said, "and I went to Sidon and told the police. They came to investigate. I taught the people in this way that the laws of Lebanon must still be obeyed. We really don't have much trouble."

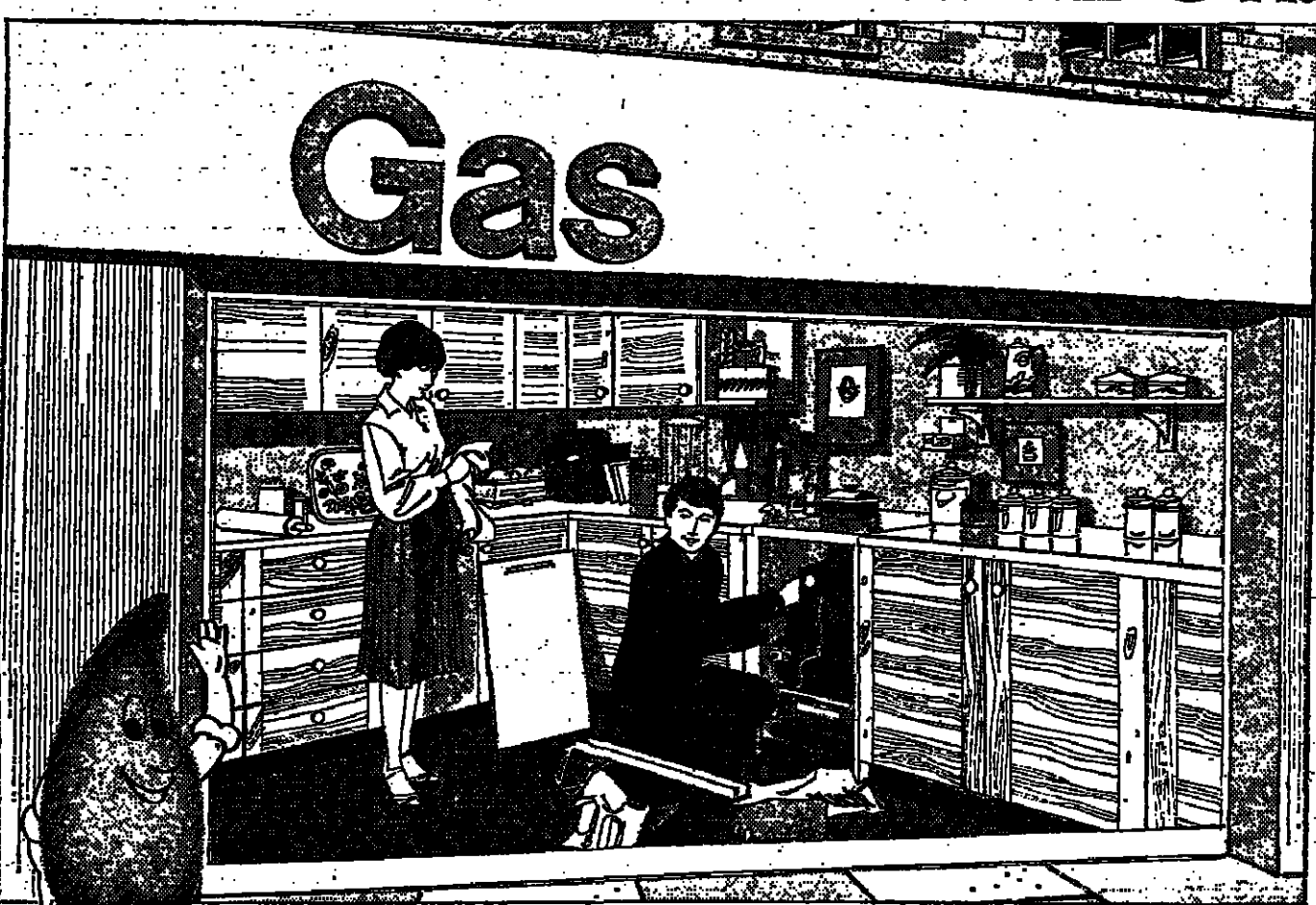
"There was one incident when a man broke into my house and drank some whisky and set light to a bottle. We had a small fire. But we knew who he was—he was a guard when I paid less than the mukhtar and he wanted to prove that the mukhtar could not protect my house. But a week later, at night, he drove his car over a cliff and was killed."

There was a woman's silence. Was it a real accident, we asked? Mr Abu Khadra chuckled softly at the absurdity of any suspicion to the contrary.

If he could return to a recreated Palestine, what would he do with his farm? "I'd keep it or I'd sell it," he asked. "Sell it," he replied firmly.

For the present, however, the villages east of Sidon remain a private Palestinian fiefdom, a place out of time just north of the battleground which will be destroyed—its little villages and inter-sectarian friendships and stables and olive orchards with it—if the red line moves or Mr Arafat decides that the balance no longer exists.

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Reagan tries to improve his human rights image

From David Cross, Washington, June 1

Amid growing scepticism about President Reagan's commitment to human rights, Mr. Richard Allen, the President's National Security Adviser, is trying to reassure critics that the Administration has not forgotten the plight of Soviet Jews.

At a rally near the United Nations building in New York yesterday Mr. Allen said that American foreign policy was "inseparably linked to human rights by the very fact that we are what we are, and our adversaries are what they are."

Claiming that terror is a way of life in the Soviet Union, he promised that he was concerned with the plight of Soviet Jewry. "Let us remember, no men are free until all men are free," he added.

The rally, which was in support of Jews seeking emigration from the Soviet Union, attracted a crowd of about 150,000 who also listened to speeches from Miss Jane Fonda, the film actress and liberal political activist, and Josef Mendelovich, a dissident who was released from the Soviet Union, and Mrs. Avital Schcharansky, whose husband Anatoly is still in a

Russian prison in spite of many Western appeals for his release.

In another indication of the Administration's eagerness to be seen to be espousing the cause of Soviet Jews, Mr. Mendelovich and Mrs. Schcharansky were last week called into the Oval Office of the White House to meet the President.

They dutifully posed for photographers alongside the President and Mr. George Bush, the Vice-President. During the brief encounter, the President apparently promised to do all he could to secure the release of Mr. Schcharansky, who is one of the best-known Soviet Jewish dissidents.

Meanwhile, Senate approval of the President's controversial nominee for the senior human rights post in the State Department has run into new problems on Capitol Hill.

The Senate Foreign Relations Committee was originally due to vote early this week on the candidacy of Mr. Ernest Lefevre, an arch-conservative academic, but the ballot has been postponed to give members of the committee a chance to recall the nominee for further cross-examination. During hearings before the committee last month, Mr. Lefevre

was attacked for showing what appeared to be little concern for human rights in countries friendly to the United States.

It was also disclosed that a lobbying organization for which he has worked has received payments from multinational companies like Nestlé to back their arguments on the highly contentious question of the sale of substitute powdered milk to mothers in developing countries.

Since the United States voted against a new United Nations code designed to reduce aggressive marketing of infant formulas in the Third World, the State Department has been receiving large quantities of mail from opponents of the Administration's stand.

A spokesman for the State Department said yesterday that mail on the subject was running nine to one against the American vote. In a television interview here yesterday, Senator Paul Tsongas, the most liberal Democratic member of the Senate Foreign Relations Committee, said that a majority of his colleagues on the committee, including moderate Republicans, were opposed to Mr. Lefevre's nomination to the State Department.



Royal graduation: Prince Rainier and Princess Grace of Monaco, with their daughter Princess Caroline, leaving Amherst College, Massachusetts, where their son Prince Albert received his diploma.

Millions of Soviet children quit cities

From Michael Binyon, Moscow, June 1

The "last bell" has sounded at Soviet schools, marking the end of the summer term. Parents throughout the country are preparing to send their child to summer camps, and today the Soviet press is marking the International Day of the Child with a sheaf of statistics and laudatory articles.

Some 44,200,000 children attend Soviet schools, 99 per cent of all those below the age of 17, the minimum leaving age. Fourteen million children below the age of seven go to nursery schools and kindergartens, and under the present five-year plan an extra 150,000 places are to be added to this vast infant care system.

Starting next week more than 25 million children are to be sent to the summer camps and tourist centres organized by factories, trade unions and local authorities. These camps, a cross between scouting, summer camps and holiday centres, are situated in the countryside, in Black Sea resorts and scenic lakeside spots in all parts of the country.

They function in shifts for most of the summer, taking in children for about a month at a time. Most of the cost is borne by the State, which in the past five years spent 2,900 million roubles (£1,933m) on children's summer facilities, a rise of 800m roubles over the previous five years. More has been promised during the current plan.

The first and most famous "pioneer camp" was built in 1930 near Yalta in the Crimea. It has since become a showplace, equipped with solariums, swimming pools, sports grounds and libraries, and accepting 25,000 children the year round, including more than 50 different countries.

School-leavers and students are assigned to work as helpers in these camps. The fairly strict regime includes much organized sport and regular expeditions, and children take part in work brigades and are encouraged to develop a team spirit and healthy attitude to work.

The point of many camps is to free parents for the all-important harvest, which pre-occupies the bulk of the Soviet population for most of the summer.

Similarly the 130,000 creches and kindergartens, many of them attached to individual factories, State farms and big enterprises, are vital in freeing women for full-time work.

Ironically this well-developed system has come under

increasing attack recently because of the high incidence of disease and epidemics in the kindergartens, especially in winter.

Mothers complain that they are permitted to take only seven days off work to look after sick children, 10 days for unmarried mothers, and pressures to return to work mean that children are often sent back to kindergartens before they are completely well.

In reply the Government promised in March to expand this parental leave to 14 days, to ease the strain on working mothers by providing more part-time jobs, and to expand the network of day-care centres and creches (fewer and fewer grandmothers live with their children to provide help in the home).

However, the timetable for these changes has not been announced. It has been left to reluctant factory directors to fulfil their plans, to work out how to introduce more part-time working.

In spite of the repeated emphasis on the state care of children, the Russians have become increasingly concerned about the happy functioning of the family as a unit. Last year a committee on strengthening the family was set up, and the emphasis has nowdays switched from bringing up children at home and building holiday hotels and centres for family groups.

But the high cost and the economic demand for women's labour means that relatively few Soviet families are able to go away on holiday together.

The main responsibility for children in the summer still falls on camp organizers, youth leaders and health workers, whom *Pravda* yesterday encouraged to do their best to ensure that children get the greatest benefit from their summer sojourns in the countryside.

Meanwhile the press has contrasted the situation in the capitalist world, where it says children are often neglected, with the Soviet situation, where the basic right to life, Articles the right to health, the growth of illiteracy and the widespread use of child labour.

One paper said some 800,000 American children worked on farms and plantations. Racialists methodically murder children in order to intimidate the black population.

Police in Spain face indictments

From Our Correspondent Madrid, June 1

The state prosecutor has asked for the indictment of various unconfirmed reports by several newspapers, *Señor Angel Torroja*, the magistrate, said that the prosecutor's request had not yet been transmitted to the competent judicial authorities and that the investigation into the prisoners' deaths would continue.

The communiqué added that 39 persons had been interviewed as potential witnesses since the specially appointed magistrate began his investigation on May 18, and a number of other lines of potential evidence had been collected.

The case caused a political turmoil in Spain shortly after the three men died on May 9 or 10. At first police claimed the victims were terrorist suspects and that they died in a road accident while being taken by the Civil Guard. Subsequent disclosures cast doubt on this version and an autopsy was reported to have showed bullet wounds in the charred and mangled bodies of the victims.

Questioned in Parliament about the circumstances in which the three men died, *Señor Juan José Rosón*, the Interior Minister, angered the leftist opposition by merely repeating the police version of the incident and making no effort to reconcile conflicting reports.

Moi urges Kenya to stay calm

From Charles Harrison Nairobi, June 1

President Daniel Moi told Kenyans today that the recent treason trial, the closure of Nairobi university and a strike by state doctors should not be seen as signs of instability. The country had not lost its sense of direction at celebrations to mark the anniversary of Kenyan self-government in 1963, President Moi said only a few Kenyans had been involved in the recent spate of treason, sedition, corruption and strikes.

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He condemned the recent claims of the "so-called liberation movement" in the Somali-land north-eastern province and the "astonishing betrayal of trust" by striking doctors.

Problems still piling up

Polish police want own union

From Dossa Trevisan, Warsaw, June 1

After the emotions aroused by Cardinal Wyszyński's death which culminated in a national day of mourning, Poland now has to turn to more pressing problems.

With only six weeks to go before the Communist Party congress Poles are facing the reality that the division within society, rather than diminishing, continues to increase and are becoming deeper and more distinct. The contrast has been sharpened recently with conservative elements launching a counter attack.

Poland's police are also not immune to changes and calls for reform, and they have demanded the right to form their own union. They are trying, evidently under the impact of the general mood of the country, to build a bridge between themselves and a deeply mistrustful public.

The question of a police

union has been raised in several reports. The latest report from Suwalki in the north east, says that the local militia, apart from demanding their own union, have also asked for an investigation into who was responsible for the police repression of demonstrators in 1956, 1968, 1970 and 1976.

Polish police are also questioning the privileged position which the secret police are believed to have enjoyed and are demanding to be put on an equal footing.

This is the first sign of demands for changes spreading to the police. It comes at a time when the authorities have been at pains to prevent a picture emerging of growing crime, increasing civic disobedience and outright citizen hostility to police which, they claim, have assumed mass proportions making the maintenance of law

and order increasingly difficult. A recent report by the State Council says that crime has sharply increased. It says that over the past year cases of robbery have gone up by 30 per cent and burglaries by almost 40 per cent, with a quarter of them against public buildings, railway stations and warehouses.

The authorities also report increasing acts of hostility towards the police, and of refusal to give evidence even in cases of fatal road accidents. More ominously the Government condemned alleged hostile acts and insults directed against Soviet soldiers stationed in Poland. Later another report disclosed that a Soviet war grave was desecrated.

However, such reports are being challenged, and today Warsaw's daily *Ziemia Wądrasna* suggested that they may be deliberately spread

Premier told not to bind Greece on bases pact

From Mario Modiano, Athens, June 1

The Greek Government was cautioned by the Opposition today against binding the country on major national issues, the American-Greek bases agreement during a pre-election campaign.

Greek elections are not due until the autumn, but all political leaders have started campaigning in the provinces. Mr. Andreas Papandreu, leader of the Panhellenic Socialist Movement, the main opposition party, in an open letter to Mr. Konstantinos Karamanlis, the Prime Minister, today insisted that until the next elections the Government should deal exclusively with ordinary day-to-day business.

"Yet, during this implicit election campaign which you yourself inaugurated," Mr. Papandreu wrote, "you are making every effort to close national issues of the highest importance, such as the agreement on the

status of American bases in Greece. Negotiations for a new agreement on the American bases have been in progress for more than four months.

"This Government no longer represents even the 41.84 per cent minority of the electoral body of the elections of November, 1977," Mr. Papandreu said in his letter.

He said he would raise the matter with President Karolos Papadimitriou, the Prime Minister's caretaker duties to his Cabinets before the elections of 1974 and 1977.

The letter concluded: "You should, in any case, announce at once the date of the next elections and, at the same time, refrain from assuming any commitment that might hamper the implementation of the programme of the Government that will emerge from the elections."

Policemen on rampage

From Our Correspondent Colombo, Sri Lanka, June 1

Hundreds of policemen went on the rampage last night in the northern town of Jaffna after one policeman was killed and four more injured when police tried to quell a disturbance at an election rally.

The incident took place at a Tamil United Liberation Front meeting held in connection with the elections for the district development councils due to be held on Thursday.

The police first damaged a Hindu temple near the meeting. They then went to the town of Jaffna where they smashed the office of the Front and set fire to shops and houses.

PREMIER OF CHINA IN PAKISTAN

From Our Correspondent Islamabad, June 1

Mr. Zhao Ziyang, the Chinese Prime Minister arrived here today on a four-day official visit. He said it would further promote friendly relations and cooperation between Pakistan and China which had witnessed continuous consolidation and rapid developments in the past year.

The police first damaged a Hindu temple near the meeting. They then went to the town of Jaffna where they smashed the office of the Front and set fire to shops and houses.

Transport crisis threatens Zimbabwe economy

From Stephen Taylor, Salisbury, June 1

Zimbabwe's prospects of reaping the benefits of its rapid industrial growth and bumper agricultural crops is threatened by a transport crisis which is assuming added significance with the sudden deterioration in relations with South Africa.

Experts believe that only about two-thirds of available exports and scheduled imports will be shipped this year. Exports are being held up at a time when the economy is in dire need of foreign exchange and the flow of vital supplies of machinery, spare parts and fertilizer into the country is being delayed.

The transport crisis has become Zimbabwe's most serious single problem. The main cause is a shortage of locomotives to carry goods on the three main rail routes to the sea. Mr. Josiah Chinamano, the Minister of Transport, told *The Times* that the drain of white artisans since independence had resulted in a decline in maintenance and repair to the

country this year, and that only because neighbouring countries such as Mozambique and Zambia, which are desperate to have the maize, are providing transport to move it.

Officials of the World Food Programme are in Salisbury at present, investigating the possibility of moving some of the surplus to areas of need such as Uganda, Somalia and Kenya. An indication of the difficulty involved is given by the fact that a recent consignment of maize to Angola, which all but borders Zimbabwe, had to be sent by air.

The outlook for imports is not much better. There is deep concern that the arrival of 70,000 tonnes of fertilizer, needed by the end of October for the next growing season, will be held up.

South Africa has not only withdrawn its locomotives but scrapped a preferential trade agreement with Zimbabwe. Since then relations have worsened with a warning by South

Africa that it may take military action against alleged bases of the African National Congress in South Africa.

The port facilities at Maputo and Beira in Mozambique are in theory capable of handling all of Zimbabwe's import-export traffic.

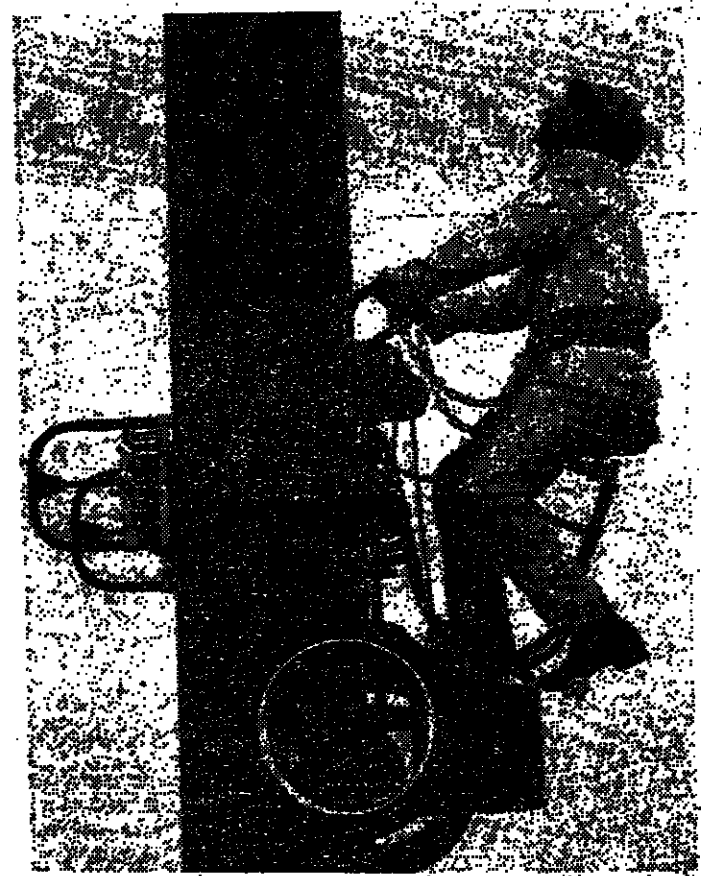
The main difficulty is transporting the goods. In addition to the locomotive shortage, railway traffic between Umvali and Beira, Zimbabwe's shortest route to the sea, is being disrupted by guerrillas of the South African backed Mozambique Resistance Movement, who are active in the region.

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A Soviet worker demonstrating a mechanical pole-climbing device, developed in Lithuania.

White House stands firm on tax cut proposals

From Our Own Correspondent, Washington, June 1

President Reagan summoned the Democratic leaders of Congress to the White House today to discuss his plans to cut income tax. They have reached the stage where government and opposition will have to reach a compromise on the tax Bill, or fight it out to a conclusion.

In a television interview yesterday, Mr. Donald Regan, the Secretary of the Treasury, was asked whether the President would make any further concessions. He replied: "I doubt it. You have got to remember the Republicans did win on November 4, and they won on those proposals. Why should the President go any further in trying to be accommodative to them?"

Mr. Reagan wanted to cut income tax by 10 per cent in each of the next three years. The Democrats think that such a large cut would be inflationary, that it would make certain huge budget deficits would con-

tinue and that flat-rate cuts of this kind would benefit the rich more than the poor.

The Democrats, therefore, propose that taxes should be cut next year, and that the situation should be reviewed in future years.

Mr. Reagan, who originally considered a first cut this summer, supports a proposal by the chairman of the Senate Finance Committee, Senator Robert Dole, that there should be a 5 per cent cut on October 1, followed by 10 per cent cuts on October, 1982, and October, 1983.

The Democrats have conceded another point in the President's proposed tax reform, that tax on investment income should be reduced to a maximum of 50 per cent, and that the "marriage penalty" should be reduced. That is the arrangement under which married couples who both work together pay more tax than they would if they were not married.

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PARLIAMENT June 1 1981

Minister defends abolition of registry of business names

Parkinson: System ineffective

With upwards of 800,000 names now on the register of business names and more than 2,500,000 searches a year, any Government would be bound to consider ways in which the system could be improved to reduce its use of public resources while retaining reasonable safeguards for those who registered a name, Mr Cecil Parkinson said in the Commons when he moved the second reading of the Companies (No 2) Bill, which has passed the House of Lords.

The Government's decision to abolish the Registry of Business Names had caused some concern, but the Bill would replace a demonstrably ineffective and unsatisfactory system.

All qualifying businesses would have to display the name available on demand to those with whom they had business dealings, and the end of information which, in many cases, businesses were failing to file with the Registrar of Business Names.

The Government (the said) stands foursquare behind its proposals for which it believes it has an overwhelmingly good case on merits.

Mr Parkinson (South Bedfordshire, C) said that the Government had no intention of making a Companies Bill an annual parliamentary event. Like the 1978 Bill and the 1980 Act, this Bill owed its existence to the need to fulfil Britain's obligations under a European Community company law directive.

It reflected the fact that to some extent the agenda of company law reform and change in this country was being shaped by the various proposals for the harmonization of company law in the EEC.

The Government considered that company law harmonization should be limited to those cases where differences between national laws were positive impediments to the achievement of the basic aim of the Community, some proposals measured up to that test better than others.

A complementary draft directive on group accounts was under negotiation. A further complementary draft directive on the accounts of credit institutions had recently been adopted by the Council of Ministers by the Commission and would be the subject of negotiations over the next few years. The Government considered that harmonization had a role in that area, and in that spirit had brought forward this Bill to implement the Fourth Directive.

This Bill went well beyond the

implementation of a directive. It combined a number of other important and wide-ranging measures to help small companies, streamline Government administration, encourage enterprise and to strengthen and improve the existing law.

The Government proposed to table new clauses during the committee stage dealing with the disclosure of interest in shares.

The fact that the Bill established a more elaborate statutory framework for accounts did not detract from the major and essential role that the profession would no doubt continue to play in building on that framework to help to achieve the highest standards of practice.

Virtually all companies would have to prepare full audited accounts for their shareholders, but the Bill provided an exemption to the small rule.

The Government had received many representations that it was wholly disproportionate to require the whole panoply of accounting requirements on companies that were completely inactive. The Bill would be generally welcomed in providing a sensible approach to dormant companies.

50,000 of these dormant companies at present under a totally unnecessary obligation to provide information.

The Government's policy on Part II of the Bill dealing with company names was to make the system clear. On company registration, with upwards of 800,000 names now on the register and over 2,500,000 searches per annum, any Government was bound to consider ways in which the system could be amended to reduce its use of public resources while retaining reasonable safeguards for those who had registered a name.

The extent of the subjectivity in the exercise of the functions by the registrar might have been feasible in earlier years when the number of registrations and searches was much smaller, but now became impossible to operate.

A shift to greater objectivity had not only been desirable to reduce the demands on public resources, it had become essential if they were to have the effective and consistent system of registration and searches which was now becoming impossible to operate.

It was estimated there were about 170,000 applications either for new names or change of name a year. The Bill would bring the system of registration and searches under a single system of registration and searches, and would be the subject of negotiations over the next few years. The Government considered that harmonization had a role in that area, and in that spirit had brought forward this Bill to implement the Fourth Directive.

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COMPANIES BILL

The Government had invited observations on the form of such a procedure and expected to table appropriate amendments at the committee stage.

The present arrangements gave a spurious certainty. They did not work. Many people just did not register. The Government had a strong suspicion that those were the ones committing frauds and abusing the system.

It was virtually impossible to enforce a register of the kind that the register purported to be. Some 40 per cent of inquiries to the registry showed that the information available was defective or inaccurate, or that there had not been a registration at all.

Mr John Smith, chief Opposition spokesman on trade (North Lanarkshire, Lab) intervened to say that Mr Parkinson was making assertions but that his evidence was unclear. It would make more sense to correct any deficiencies in the system rather than to abolish the registry.

Mr Parkinson replied that there was a huge area for mistake. The Government's solution to get rid of the Registry was to make it clear that the consolidation was more than a relatively mechanical bringing together of what was already in the Companies Act, but that, from the technical point of view, company law became on consolidation coherent and up-to-date.

The Government was aware that the consolidation of company law was a major task, and that the Law Society and the Consultative Committee of Accountancy Bodies with a view to the joint proposal of a rather wider measure of relief from the provisions of Section 56 of the Companies Act 1948 than was provided in the Bill so far.

The Government would carefully consider any such proposal. Section 56 required the creation of a non-distributable share premium account in certain circumstances.

The Government was also considering representations from banks and other lenders about the present Clause 42, replacing section 54 of the 1948 Act which prohibited the directors of a company from making any financial assistance for purchase of its own shares.

The present clause redefined prohibitions in a way which reduced the protection afforded by court judgments by providing additional exemptions for transactions where there was no material benefit to the company.

Mr Parkinson said that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980, and that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980.

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The facility to purchase own shares would enable many companies to attract capital that would otherwise be unavailable either to the investor or the recipient, or to overcome without risk the stability of the business, circumstances in which a shareholder might be forced to sell.

It would generally be conducive to the efficient deployment of capital in the corporate sector.

As those who made the law, it was the duty of MPs not to make life more complex than was necessary to those subject to the law. The goal of a consolidated Companies Act or Acts was to bring the achievement of that goal nearer.

First, it had appointed an experienced former parliamentary secretary to the House of Commons to bring the achievement of that goal nearer.

Second, in Clause 76 the Government was seeking to ensure, without detracting from the parliamentary scrutiny which any such measure must rightly receive, that the consolidation was more than a relatively mechanical bringing together of what was already in the Companies Act, but that, from the technical point of view, company law became on consolidation coherent and up-to-date.

The Government promised in the Lords to deal in this Bill with the disclosure of interests in shares. The Government was aware that the consolidation of company law was a major task, and that the Law Society and the Consultative Committee of Accountancy Bodies with a view to the joint proposal of a rather wider measure of relief from the provisions of Section 56 of the Companies Act 1948 than was provided in the Bill so far.

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During consultations over the years there had been an overall impression that the registry ought to be maintained. Once again representations had been made from the professions, the CBI, industry, consumer groups and the House of Commons, all arguing for the retention of the registry. Its simple function was to allow the public to check the names of companies who were registered.

The abolition of the registry was a vital sacrifice to the proposition that for good or ill, there ought to be a reduction in the number of civil servants.

All sorts of names closely resembling the names of existing companies might be thought up by unscrupulous people interested in trade for a short time and confuse the public about their real identity.

Under the Bill's provisions the Secretary of State could after a six month's period require a company to change its name, but there were many dubious operators who could make a quick killing within a short period.

It should be some public protection against them exploiting such a provision.

The Government should not neglect its responsibility to the ordinary public who dealt with the companies with which this Bill was most concerned.

Mr Anthony Grant (Harrow, Central, C) said that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980, and that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980.

They mostly opted out of the second survey because of the burden of taxation and the complexities of the welfare state, but the over-complex provisions of the Bill were so far as it related to small or new companies had also been a deterrent to operating within the system.

The Bill would reduce fraud, stimulate small companies, increase commercial confidence, and save money and civil servants.

Mr J. G. Gilmour (Orkney and Shetland, C) said that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980, and that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980.

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document issued on Saturday as the Government was satisfied that they would be sufficient deterrent to "dawn raids" of the kind on Consolidated Gold Fields.

The proposals were concerned with disclosure after acquisition rather than with legislation sufficient penalties to ensure that people were put off similar acquisitions in future.

There had been no need for De Beers to acquire an interest in Consolidated Gold Fields in such a covert way. Some MPs censured the practice and felt that the good will of a company like De Beers had been built up over many years had been undermined by what they had done that day at the beginning of 1980.

Mr Robin Squire (Havering, Hornchurch, C) said he was concerned about companies which operated in the same address and constantly changed their names.

The Bill took some steps against that which might be trading fraudulently. The problem was the speed at which these names could be adopted and discarded.

Mr Richard Page (South-West Hertfordshire, C) said that the principle of cancelling all shares when they were bought in should be reconsidered. There was an unnecessary paperwork involved in cancelling, issuing and then cancelling shares.

Companies would be better off if they were not required for another shareholder.

Mr John Evans (Aberdare, Lab) said that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980, and that the Government was aware of the need to bring the provisions of the Companies Act 1948 into line with the provisions of the Companies Act 1980.

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Determined Chappell does not yet have style of his brothers

Surprise win by Huggan brightens cheerless day for Scottish hopes

Angling

Seots want nothing to do with rod licences

Mixed grill at Albert Hall

Cram supports profit line

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Rugby Union

Dodge and Carleton chosen for their sixth consecutive match

From Peter West
Rugby Correspondent
Rosario, June 1

Paul Dodge and John Carleton will play their sixth successive match of the tour with England meet Litoral Region here tomorrow. It is not a fixture the tourists are likely to find unduly difficult, although the home side are reputed to have a good back division, including Ezequiel, who was Argentina's full back in the first international last Saturday. The tour selectors have felt able to pick all 10 available players who were not in the side last week.

Dodge, who has had an excellent all-round tour, has been chosen again because it was thought prudent to give Woodcock a rest, even though he emerged from the international without too much bother from his bruised calf. Carleton, another player for work — and wages cannot claim they are run ragged by too much of it — will play his second game of the tour.

Trick to occupy the other flank. Carleton has missed no chances in attack and, what is more, has been impressive under the high ball and has not missed a tackle. The only hiccup for him was an intercepted pass in the international which was Argentina's; but that is something that can happen to anybody.

It has been decided that the Argentine, who is a cheerful, friendly, and a rest, so McGregor plays at loose head, where he performed adequately enough at Mar del Plata. Pearce has a fifth outing on the other side of the front



Carleton: glutton for work

row. Stuart and Pearce did a thoroughly solid job for England in the international without getting their names in lights, but that is a fact of life to which the front row fraternity are reconciled. Both will be united again next Saturday and there is nothing in tomorrow's selection suggesting that England intend to change their XV for the second international.

One gathers that Rosario vies with Cordoba for the status of Argentina's most important city, and much preoccupied with the production of milk flowing in from the plains which interminably seems to surround it. Milk may be a word to suggest itself to David Brooks, senior vice-president

of the RFU, who was somewhat mortified to discover that his first round of drinks at a Buenos Aires hotel for some dozen kindred spirits set him back by about 900,000 pesos. This amounted, give or take a few thousand pesos, to almost £150. One beneficiary expressed disappointment that he had been unable to top the million mark at the first time of asking.

There was equal distress in the English camp when the hotel maids, thinking the team's muddy jerseys to be expendable, declined to send them to the laundry and instead dispatched them through the chute for subsequent burial at a local rubbish dump. Sixteen jerseys, 12 pairs of stockings and five pairs of shorts were dumped in the rubbish. The unhappy result that England's players could not extend customary courtesies last Saturday by exchanging jerseys with their opponents.

However, there was no cause for English complaining at the reception after the international. This was staged at the Belgrano Club, an establishment with photographs of its cricket teams on the walls, a cricket scoreboard shining on the wall, and a large number of the most valuable pieces of real estate in the capital, and an atmosphere to remind the tourists of the spirit on and off the field on this tour has been something quite memorable and special.

Against this older generation of players, the Argentine newcomers to the race — Andrei Vederikov and Sergei Krivosheev, of the Soviet Union, and two Norwegian, Hans Odegard and Morten Saether. Any of these eight riders would make a worthy winner, but even so far indicate that Waugh, Odegard and Vederikov will fight out the final honours.

Odegard has been the outstanding individual of the race and he would be wearing the yellow jersey if time bonuses had not been awarded for the first three finishers on each of the first stages. Besides dominating the individual time trial prologue at Brighton, this 21-year-old student from Oslo has shown surprising strength in sprint finishes, as well as in countering the uphill efforts of the aggressive Soviet riders. His biggest enemy could be Odegard.

In contrast, Vederikov, a 21-year-old soldier from the Red Army sports base at Kulybyshev, has shown surprising strength in the past week to give him leadership of the mountain grand prix. Also, he has slightly superior backing from his youthful teammates, Krivosheev, Malakhov and Starodubtsev.

To overcome the threat posed by Odegard and Vederikov, Waugh, who is from Tyneside, will need to use his intimate knowledge of the northern hills, the climbing ability that won him the king of the mountains title in 1975, and the guile that gave him second place in the 1976 Milk Race, Sec. behind his teammate, Bill Nicholson, the last British winner of the event.

OVERALL (after seven stages): 1. P. Waugh (GB), 27:21.07; 2. A. Vederikov (Soviet Union), 27:21.07; 3. H. Odegard (Norway), 27:21.07; 4. M. Saether (Norway), 27:21.07; 5. S. Krivosheev (Soviet Union), 27:21.07; 6. W. Malakhov (Soviet Union), 27:21.07; 7. A. Starodubtsev (Soviet Union), 27:21.07; 8. D. Nicholson (GB), 27:21.07; 9. G. Odegard (Norway), 27:21.07; 10. S. Krivosheev (Soviet Union), 27:21.07; 11. W. Malakhov (Soviet Union), 27:21.07; 12. A. Starodubtsev (Soviet Union), 27:21.07; 13. D. Nicholson (GB), 27:21.07; 14. G. Odegard (Norway), 27:21.07; 15. S. Krivosheev (Soviet Union), 27:21.07; 16. W. Malakhov (Soviet Union), 27:21.07; 17. A. Starodubtsev (Soviet Union), 27:21.07; 18. D. Nicholson (GB), 27:21.07; 19. G. Odegard (Norway), 27:21.07; 20. S. Krivosheev (Soviet Union), 27:21.07; 21. W. Malakhov (Soviet Union), 27:21.07; 22. A. Starodubtsev (Soviet Union), 27:21.07; 23. D. Nicholson (GB), 27:21.07; 24. G. Odegard (Norway), 27:21.07; 25. S. 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Pure distillation of the finest spirit of delight

Mary Potter

Serpentine Gallery

William Orpen
1878-1931: Early Work

Pym's Gallery

A Salute to Marcel
Boulesstin and
Jean-Emile
Laboureur

Parkin Gallery

Summer Show

Roy Miles

Turner and the
Sublime

British Museum

Are we these days just a pushover for the past? Of course it is a critical commonplace that this is the age of nostalgia par excellence. But sometimes I do find myself wondering whether nostalgia affects us all to such an extent that, while we may be extremely chary of rediscoveries, we have an automatic lien on our excitement and approval. Certainly it seems that during the last few years there has been an altogether unseemly number of revivals, in reputations long buried, or at least left untrampled until the artist's seventieth, eightieth or even ninetieth birthday comes round and we realize with a guilty shock that he or she is still there. As we hail Waterhouse or Strang or Sheringham or even someone as relatively recent as Vaughan, or react with new enthusiasm to the continuing vitality of Gerald Wilde or Richard Emdin, or wonder why more people have not heard of Meninsky, we might also wonder whether our standards crumble as soon as nostalgia comes into play. At least it is comforting, in a perverse sort of way, to find that we do not always automatically delight in the past or the obscurely present. It is not enough just to survive; not every ninety-year-old artist is a forgotten genius. But I am afraid that this week I have a clutch of further rediscoveries for you. Very varied rediscoveries.

At that. You are of course welcome to take it with as big a pinch of salt as you like; but at least I can assure you that every case is well worth checking. Doubt whether many could be so voracious in their judgments that they would find nothing pleasurable and revealing in the works of Mary Potter, painting better than ever in her eighties, or William Orpen, Edwardian success story now (but surely not for long) quite forgotten, or the high-twentieth-century drawing of J.E. Laboureur, or any of the little-known turn-of-the-century artists whom Roy Miles provocatively labels Post-Impressionists in his current *Summer Show* or even the unfamiliar wonders of the British Museum's Turner watercolours. Mary Potter has always had her faithful band of admirers, as the host of familiar names among the lenders to the Serpentine's retrospective (until June 28) will attest. But hers has always been essentially a quiet reputation, likely to be overlooked amid the crush of more colourful figures. At the Serpentine one can well see why, without for a moment contending with the public neglect. At first there hardly seems to be anything there on the clean white walls: smudges of the palest, most delicate colours; some faintly outlined shapes, sometimes described in no more concrete terms than that by the picture's title (*Red Shape*, it says, and leaves you to work out what it might possibly be, if you really insist on doing so). One or two of the earlier works (*Golden Kipper*, 1939) show that she has command of brilliant colour if she feels so inclined. And a portrait of *Joyce Kilmer* from 1967 shows her skill in precise draughtsmanship. But this is really not what the show, or Mary Potter's art, is about.

What one does see, going round the show in chronological order, is no sudden revolution in style, but a gradual dissolution of shapes and forms until by the beginning of the 1970s virtually all identifiable figurative content has vanished. Some of the paintings of the 1930s could handle quite a lot of visual content, whether of a traditional flower-piece or of a landscape like *Chiswick Mall* (c.1935). But the artist's style has become more and more abstract, and by the 1940s round *Aldeburgh* take more and more reading, and by the 1950s the still-lives and interiors and glimpses out of windows become more and more obviously abstract. Mary Potter may be regarded as a late flowerer, in that she did not take possession of her own personal domain until she was well into her sixties, but it has been worth the wait: her paintings like *Flint* of 1974 (actually the very first as you come through the door: it tells all), or *Porch Light* of 1973, a symphony of mauves and lilacs,

or *Evening Window* of 1978, a magisterial reworking of a favourite theme, or *Sun and Stones* of 1980, there is really nothing to say. These are pure painting, if ever there was such a thing, denying explanation but distilling the finest spirit of delight. Mary Potter's painting may not make you think, but it comforts and refreshes and makes you happy — and of how many painters today can one say so much?

Happiness of another kind is to be found aplenty in the show of Orpen's sketches (with a few oils) at Pym's Gallery, 13 Motcomb Street, Belgravia (until June 12). It is a jolly, even boisterous kind of happiness which comes from direct contact with a jolly good fellow, full of fun and frolic, who happened also to be a brilliant draughtsman rarely without a sketchbook in hand. This ever applied, it appears, in rather unlikely circumstances: the show includes at least one sketch from a visit to a Parisian brothel, and a study of Augustus John and others, all of whom, apparently, were more immediately eager to record what they saw than to sample the wine.

Otherwise, the show, which consists of materials from six sketchbooks, most of them given by Orpen to a friend at the Slade, offers all the pleasures of a glimpse behind the scenes in the life of a busy professional. Here are studies for some of Orpen's most famous oils, such as the *Tanqueray*, and a host of other sketches of friends and associates; art-school work, mostly life-studies; isolated details of a hand or an ear (the artist's ear, in fact, for a self-portrait); and even cartoons done for his own or his children's amusement, such as *The End*. A place of *cogitatio*, which the artist is applying from his own natural resources up against a wall. Orpen is a classic instance of vast fame and fortune followed by total eclipse. But there is so much vitality and technical brio in the drawings, and the impression is so richly borne out by oils like *Lothian of Paradise Walk*, a dashing character study of c.1904, or the bravura caricature *Pair at Newbig* of 1925, that I fear we must call down another major retrospective and reevaluation upon our heads.

Other aspects of the good life are fetchingly celebrated in *A Salute to Marcel Boulesstin and Jean-Emile Laboureur*, on show at the Restaurant Boulesstin in Covent Garden until June 5 and then, more conveniently, at the Parkin Gallery, 11, Motcomb Street, from July 3. Boulesstin, as well as being a great restaurateur and authority on food, was one of the leading, anglophiles among Frenchmen of the interwar years, and a close friend of



Ample visual content: Mary Potter's *Chiswick Mall*.

many leading artists and writers, French and English. His restaurant survived until 1939, and he is still apallingy recently in its original decor, with the fabrics specially designed by Duffy, the wall-paintings by Laboureur and other *bommes bouches* by Marie Laurencin. Though it has now been radically redecorated, Michael Parkin has reassembled the principal murals and all kinds of memorabilia, along with a generous selection of the graphics by Laboureur, Boulesstin's match in anglophilia and his closest artist friend and collaborator. It is enough to reduce old habitués of the restaurant to tears.

Moving back a bit in time, we come to Roy Miles's *Summer Show* of Victorian and now post-Victorian art (6, Duke Street, St. James's, until the end of the month). There is, as usual, a certain amount of catching kitch, such as Reg-

nald Arthur's extravagant voluptuous *Death of Cleopatra* (1892) and Paul-Albert Laurens's hefty *Baigneuses* dabbling improbably in the waves. But along with these there are some really splendid works by very late Victorian and Edwardian painters who would certainly repay further study. Reginald Frampton's *Britannia* of 1914, with its exquisite pointillist technique (1920) formalizes the facts of a Breton harbour and a soldier and his girl praying by a cross on a hill into a subtle and memorable decorative pattern. The charms of Waterhouse's *A Song of Springtime* should no longer surprise us. But how about Nelly Ericson's *The Orchard*, with its almost flawless apples, its dazzling dapple of sun and shade? A spectacular painting; but who was she? No one seems to know more about her than that she showed at the Academy between 1882 and

1893. Feminist art historians, please investigate. Turner can hardly be regarded as an unknown quantity, but there is so much of him in the hands of the Tate and the British Museum that we can always be surprised all over again. The British Museum's new show, *Turner and the Sublime* (until September 20), takes just one strand from his complex career, his elations with the concept of the Sublime as defined by eighteenth-century aestheticians, and illustrates it with a mass of often quite unfamiliar drawings, watercolours and prints from the Turner Bequest, as well as the Paul Mellon Centre and other sources. The layout is rather forbiddingly didactic, but the work, particularly the seraphically free watercolours, is guaranteed to take anybody by storm.

John Russell Taylor

Books

Saving the literary heritage from the market's blasts

Much fashionable cast is spoken and written about our national heritage. Even if we do not much like the present, we cannot preserve everything from the past. If we tried to, we should soon be living in a congested junkyard. But the written word is the least glamorous and most vulnerable codicil in our heritage. It is also the most easily dispersed, the witness of our past. This year is the fiftieth anniversary of the society called the Friends of the National Libraries, which tries to keep manuscripts and books out of the market, and to place suitable homes in this country, and well cared for and accessible.

The society was founded in the Depression of the 1930s, when archives were being dispersed at a frightening rate as the archive-owning classes raised the wind by selling that part of their heritage they could most easily spare. Stanley Baldwin sent a message to the launching: "In these days of extreme financial difficulty there is a grave risk that the country may suffer in spiritual things as it is suffering in material things."

Almost the first rescue by the Friends was to raise most of the £3,000 to buy for the British Museum the Paston Letters, the earliest collection of family vernacular letters in the country, and to buy for the Bodleian at least a quarter of a million in the market-place today, so thank God they are safe. Over the past half century the Friends have helped to keep together in this country documents as rare and diverse as the Codex Sinaiticus, the manuscript of Trollope's *Autobiography*, the surviving manuscript poems of William Owen, the York Missal, the papers of Prince Lieven.

The sale-price of historic documents has risen almost out of reach. The Friends could have made only a tiny contribution to buying the Codex Leicester, swiftly renamed the Codex Hammer, even if they had considered Leonardo's notebook part of our national heritage. But they have still bought less expensive documents that have closer connections with our history. In the past ten years, for random example, they have helped to buy Robert Burns's *Complete Poems*, the John Rylands Library; the Old Hall musical manuscript, a customary of the shrine of St Thomas a Becket, and a number of early printed books for the

British Library; the Ellice papers for the National Library of Scotland; Wordsworth and Coleridge manuscripts for the Wordsworth Library at Grasmere; and the Lytton papers for Birmingham City Reference Library.

The economic climate today is not much less bleak than in 1931 when the Friends were founded. Lord Kenyon, their first president, was then, as there was then, a frightening speeding up of the sale and dispersal of family papers. Such archives have often been on deposit in local Record Offices, but owners continue to realize their potential value, are putting them into the sale rooms. Recent famous examples include the Evelyn family papers, the Evelyn Warwick Castle Archives and the Tennyson manuscripts at Lincoln, both saved after a public appeal; and the Codrington papers.

Local and family history has never been more popular. County archives and Records Offices swarm with professional and amateur researchers of the past. It is absurd that the Friends of the National Libraries should have only about 700 members, including corporate members and life members, who are admirable bibliophiles, but not of much financial use to the treasurer.

The trouble is that manuscripts are not as sexy as other parts of the heritage. You can hang the Gainsboroughs, you have saved for the nation on a gallery wall, and purr with gratification to look at it. Members of the National Art Collections Fund can go on jubiliant jaunts together to galleries and stately homes. To look at an historic document, you usually need a reader's ticket. Book-lovers as a class tend to be middling poor. All you are going to get from the Friends is the knowledge that you have helped to save something that can be described truthfully for once as part of the national heritage. It costs a modest £4 a year from the Friends of the National Libraries, the British Library. If they can raise about £200,000 and more members in their Golden Jubilee Appeal, they will be able to do a year from the Friends of the National Libraries, the British Library. If they can raise about £200,000 and more members in their Golden Jubilee Appeal, they will be able to do a year from the Friends of the National Libraries, the British Library. If they can raise about £200,000 and more members in their Golden Jubilee Appeal, they will be able to do a year from the Friends of the National Libraries, the British Library.

Philip Howard

Bath Festival

Pulsations towards a sonorous climax

John Alldis Choir

St Andrew's, Mells

While most festivals are drawing in their contemporary horns, Bath continues to be an active forum for new music. Peter Maxwell Davies's *Piano Sonata*, the jewel of the first weekend, was followed on Sunday by the latest work of his erstwhile pupil, the young student, Harrison Birtwistle, the madrigal *On the Sheer Threshold of the Night*, sung by the John Alldis Choir in the magnificent nave of the scale church of Mells, whose jolly perpendicular tower superbly commands a plain on the edge of the Mendips.

Like most of the things Birtwistle has been doing during the last decade, his new piece for 16 voices is a satellite of the Orpheus opera on which he is working, and indeed could almost be taken from it. Four soloists are taken out of the ensemble from time to time, a soprano for the voice of Euridice, a bass for that of Hades, and a duo, counter-tenor and tenor, for Orpheus himself. By no means are their parts predominant, but still the effect is of a dramatic work, madrigal in the tradition of Monteverdi rather than that of the English school.

The text is taken from Beethoven's meditation on the myth, and concerns itself first with the spellbinding effect of

Orpheus's singing on the denizens of hell, and then leads to a broad, rising sweep of music, occasionally recalling Ligeti in its long-sustained notes and cluster harmony, but driven by pulsations to a sonorous climax in a manner that is wholly this composer's own.

In the second part, with a magical switch to Helen Waddell's translation for the line that gives the piece its title, Beethoven implies that want of reason, which gave Orpheus's music its power, at the same time makes it inescapable that he will look back and so lose his love. We must, he says, look up into the clear daylight of good sense. In the madrigal, however, the light is that of the stars, with detached syllables twinkling from solo voices, and the moral is far less confidently pointed.

It is not so straightforward, Birtwistle suggests, to choose between measure and feeling, between the rectilinear basin of Bath and the mysterious mound of Silbury, 25 miles off, but still to be glimpsed, alien from the heights above this lost Somerset village.

Paul Griffiths

GOLD FOUND NEAR PICCADILLY! KEEP IT UNDER YOUR HAT

This sword-bearer's hat made from gold and silver is now on show at the Asante Kingdom of Gold exhibition at the Museum of Mankind — just 5 minutes walk from Piccadilly Circus.

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Festival Hall faces Barbican challenge

When a concert hall was originally proposed for London's South Bank, there were many doubts that anyone would actually cross the River Thames to listen to music. Now, as the Royal Festival Hall celebrates its thirtieth anniversary, similar doubts can be heard about the new concert hall in the Barbican, as to whether audiences will ever find their way to the middle of the City of London.

Although the Barbican will not have an easy task in attracting concert goers, the Festival Hall management is under no illusions: it knows that, if on for ever, it is a mousetrap, the world will beat a path to your door, and next year the Barbican will offer the latest in modern concert halls.

The appearance of the Barbican on the horizon is sharpening the wits of a Festival Hall team which, for completely separate reasons, is already re-examining every aspect of the South Bank operation.

There has been a temptation to assume that the Festival Hall does not need to change — that it is so forever providing a facility for concerts to which people will come, or not come, as the mood takes them. The harsher realities of the 1980s have dispelled such complacency: the threat of mounting losses has produced an instruction from the Greater London Council to restore the financial position.

While the Festival Hall was 70 per cent down from about 76 per cent the previous season, the box office is now up again, to 72 per cent, but the message has not been lost on the management: it cannot simply remain passive.

Michael Kaye, who took over last year as general manager after four years with the London Symphony Orchestra, believes his first priority must be to build audiences, both for the main hall and for the Queen Elizabeth Hall and the Purcell Room. More than £1m worth of tickets remain unsold each year.

Next spring the Festival Hall will launch a series of popular classical concerts, offering the sort of Tchaikovsky-night fare which has previously been largely the preserve of the Albert Hall. These will feature young British conductors and soloists, and will use the main London orchestras, with proper rehearsals, rather than the more ad-hoc groupings found elsewhere.

Mr Kaye hopes such events will attract people who have not yet developed the concert-going habit. He does not believe that the success of the Barbican is simply a case of the substitution of orchestras to play safe in concert programming, for fear that unfamiliar works will drive away audiences. In the long run, he feels, "the

more concerts we can sell out, the more courage promoters will have".

The hall is trying to proselytize in unfamiliar areas: one scheme started with the Inner London Education Authority is bringing in children who would not normally attend concerts. With sponsorship from Book Club Associates, Shell and the Musicians' Union, they are given expensive seats, and the system is already working: credit card bookings will soon be accepted, and the possibility of computerizing the box office is under study. Other experiments will be less popular: rentals for the halls are being increased, which will add a little to the cost of seats; ticket prices have not kept pace with inflation and will certainly continue upwards: the average top price this season is £6.00, and next season it is likely to be £7.00.

The Festival Hall does not seem to inspire the sort of affection created by the Albert Hall or the Wigmore Hall. It remains rather clinical in style, but while it may be hard to change the auditorium itself, Mr Kaye is determined to bring more warmth into the welcome given to concert-goers.

While the Festival Hall has to struggle for audiences, there is no shortage of promoters who want to present events, and thus the arrival of the new medium-scale hall at the Barbican will relieve some of the pressure.

The managements of both halls recognize that the Barbican cannot simply try to spread the current London music audience to cover the new hall. The Barbican is seeking a new audience, from the South Bank, some 30 years removed from the Barbican, and from those living on the north and east sides of London. It will present subscription seasons by the LSO and will also try to promote series of concerts, built around themes, composers or individual artists — a complementary role to the South Bank rather than a competitive one.

The two halls are already holding meetings to avoid clashes in concert programmes. Some duplication is inevitable, but they want to ensure that they do not simultaneously present cycles of symphonies by Beethoven or Brahms.

If the impact of the Barbican on the London concert scene remains largely impalpable, its arrival will help to ensure that there is no stagnation on the South Bank. Some of the flagships of Britain's concert halls, the Festival Hall has no intention of resting on its laurels.

Martin Huckerby

Concerts in London

Contradiction of an inner calm

Ivo Pogorelich

Queen Elizabeth Hall

The way Ivo Pogorelich played the theme of Schumann's *Symphonic Studies* at the beginning of his recital on Sunday afternoon was in itself a contradiction of the contradiction of the sensational reputation which the usual publicity mechanisms have over-

music making, the maximum impact. "I'm not after educating them," says Mr Kaye. "I'm after exciting them."

Box office changes are also under way: a student stand-by system is already working; credit card bookings will soon be accepted, and the possibility of computerizing the box office is under study. Other experiments will be less popular: rentals for the halls are being increased, which will add a little to the cost of seats; ticket prices have not kept pace with inflation and will certainly continue upwards: the average top price this season is £6.00, and next season it is likely to be £7.00.

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Schumann's inner world and the very freshness of his youthful perceptions was in itself moving. This is not to suggest that he has all the answers yet, for there are still many questions which the full implications of a phrase were passed over. At present he can give a more complete satisfaction in a piece such as Schumann's *Träumerei* (even if he, on this occasion, ignored some of the composer's dynamic markings and omitted the repeat). Besides demonstrating his nearly preternatural technique, the recital had a vein of fantasy not often found in interpretations of these non-stop semiquavers.

Chopin's Prelude op 45 was a gentle wash of changing colours, but the Scherzo op 39 was too fast and contained other exaggerated virtuosity. There was no question of Pogorelich's perfect control, however, and this was underlined by the exquisitely cultivated sounds he produced in some of the more demanding movements of Ravel's *Gaspard de la Nuit*. The hushed stillness of this drew close at the end to the very edge of inaudibility. The "On-

dine" movement, too, was amazingly light and translucent. Next door at the Festival Hall a few hours later, Daniel Barenboim offered a less adventurous, more settled kind of pianism. The concerto was Chopin's E minor, the arabesques were delivered with force and precision in the outer movements, but not with the same intensity in the middle. There was more thought in the Larghetto, which, in both keyboard and orchestral parts, reached a gentle eloquence. But in so far as the recital was judged by Vladimir Ashkenazy, one might have preferred conductor and soloist to have changed places.

Certainly Mr Ashkenazy drew a positive reading of his *Chalkovsky* Symphony No 5 from the Philharmonia Orchestra, the first movement's passions especially seeming quite untrained while in fact being disciplined by good orchestral balance. Even in the slow movement, the approach was not particularly subtle, but the music hardly demands it, and there was some lovely horn playing.

Two and a half hours after the concert started the encores began to flow. It had all been splendid fun, a worthy tribute to the Wigmore's history as well as a reassurance for an equally distinguished future.

Stephen Pettitt

A meeting of past and present

Greek Gala

Sadler's Wells

Yesterday's gala as a rule is as dead as yesterday's newspaper, but this one is worth recording not only as a good show but as a means of putting the Hellenic Cultural Centre on the British map.

This institution began modestly in Kensington last year, and now — prompted by Greece's EEC membership and the growth in Anglo-Greek travel — is planning a nationwide tour of films, poetry readings, exhibitions and visiting

producers. Sunday night's event, attended by the Greek Ambassador and the British head of the orthodox church, gave some idea of what lies in store.

The programme tackled its subject from two positions: the first half celebrating what the rest of Europe has learnt from Greece, and the second the work of modern Greek artists. Until the interval Greek artists served to mark another celebration, the centenary of Mussorgsky's death. In his singing of this composer's harrowing *Songs and Dances of Death*, accompanied by David Willson, he proved a worthy foil to the heart-batteredness of the song.

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Stephen Pettitt

Will a cheaper pound buy us prosperity?

Is there an alternative to the Government's economic strategy? Part two of a series by David Blake, Economics Editor.



The pound is now more overvalued as a trading currency than it was in the summer of 1976, when the Labour Government's sterling crisis got underway.

We asked the Economist Intelligence Unit to use the Treasury economic model to forecast the result if the pound's value on international markets was cut by 20 per cent against all other currencies. That would mean that its worth against the dollar, for example, would drop to \$1.60 from its present level of \$2.07.

That could happen if the Government persuaded the foreign exchange markets it was determined that it should happen. Or there could just be a collapse of confidence as people realised that sterling looked increasingly exposed in international markets.

Whatever the cause, the result would be an exported mini boom with a new surge of inflation. Instead of sliding gently down from its current level of about 12 per cent to just under 10 per cent, inflation would go up sharply next year to nearly 15 per cent. It would then start to slow down as the inflationary consequences worked their way through the pipeline. By early 1984 there would be a new rate of just under 14 per cent.

In return we would get higher output, lower unemployment and a better balance of payments. Exports would rise

and imports would tend to fall from the level they would have under existing policies. This would give a boost to home production. The model forecasts that next spring output would be 1 per cent higher than under existing policies.

The benefits would grow throughout 1982 and 1983. By the spring of 1983, output would be 2.1 per cent higher than with existing policies and in the latter part of that year the gain would peak at just over

3 per cent. But by early 1984 the gains would show some signs of starting to fade. Wages would be pushed up as workers demanded compensation for higher import prices. Lower unemployment would make it possible for them to get their way more easily.

As this happened, the competitive edge given by devaluation would be lost and the devaluation strategy start to narrow.

But there would still be some impressive gains for manufacturing industry, which has been hard hit by the high exchange rate. Manufacturers could be making 5 per cent more by early 1984 than they will under Sir Geoffrey's strategy. Their investment would also be higher by about 6 per cent.

This would put an extra 420,000 people in work by early 1984 compared to the total without a devaluation. Unemployment would be 79,000 lower

IF THE POUND FALLS:

INFLATION starts rising again in late summer. Up to 14 per cent by the end of the year, nearly 19 per cent by the end of 1982, but falls from then on to 13.8 per cent by early 1984. Prices are 14 per cent higher in early 1984 than under existing policy.

OUTPUT stagnates until the end of 1982 then starts growing at about 2 per cent a year. By early 1984, just under 3 per cent higher than with current policies.

LIVING STANDARDS fall 31 per cent by late summer next year, then rise 2 per cent by autumn, 1983, and at an annual rate of about 3 per cent to spring 1984. Still 3 per cent below living standards on current policies by early 1984.

UNEMPLOYMENT (including school leavers) over three million this winter, peaking at 3.265 million late 1982 then falling gently to 3.185 million by early 1984.

than without devaluation by next spring, 168,000 lower by early 1983 and 320,000 lower than without devaluation by spring 1984.

The fall in unemployment is less than the rise in the number of people with jobs because some of the work would go to those who now do not bother to register as unemployed.

These figures show how long it takes for a change in the pound's value to have full effect. Just as the damage to exports and jobs caused by the rise in sterling in 1980 has still not been fully felt, so the gains from an immediate devaluation would take time to come through.

Even with this boost, the unemployment rate would still be high. Including school leavers, there would be 3.18m people

out of work. But the attractive thing from the Government's point of view is that—although one person in eight would still be without work—the underlying figures would actually be falling gently from the end of 1982 rather than rising as seems likely with current policies.

One of the less attractive features, in political terms, is that there would be a sharp cut in living standards of those in work over the next year, possibly by as much as 31 per cent. Devaluation has tended to be favoured by the left rather than the right in British politics. Yet ironically, it worked by transferring income from employees to those who own companies.

This cut in living standards assumes that workers do not succeed in getting immediate pay increases which fully compensate for the rise in prices caused by devaluation.

That is one of the most bitterly debated questions among economists today. If a devalued pound just leads straight to bigger pay settlements, it would not have the good effects on output which our use of the model predicts: many supporters of the Government feel that the model is over-generous to devaluation on this score.

One way to make sure that wages did not go up in response to devaluing the pound would be to impose an incomes policy. Unfortunately, economic models are of no help to us in deciding whether pay policies of that sort can work. The computer just cannot say whether or not union leaders and members will be willing to accept short-term restrictions on their living standards to get the economy growing.

Past performance, however, is discouraging. It is this which has led some economists to favour a more radical approach. Instead of calling for devaluation, and asking for the use of protection, this option, coupled with a big increase in public spending of the sort which is usually coupled with it, will be considered in our final article in the series.

The people who can solve the class riddle

Inequality is the price we pay for living in a free society. The dilemma we face, in education as in other things, is that we do not find it easy to judge when the price is too high.

Are the various freedoms associated with private education—the freedom to operate a school independent of the state, the freedom to spend your earnings as you wish within the law, in the case of a few schools religious freedom—worth the cost in terms of a divided society and unequal access to opportunity?

The Labour Party proposes to respond to the dilemma by making it illegal to charge fees for education; the dilemma will be removed rather than resolved. Twenty years ago such a policy (which is in effect abolition) would not have commanded widespread support in the party. Now it does.

The failure of the Public Schools Commission in the late 60s and more recently the misguided support which independent schools have given to the Conservatives' assisted places scheme, have persuaded even Labour moderates that private education should be outlawed. They argue that in this case the price of freedom is too high and that society should have the courage not to go on paying it.

The Conservative Party takes the opposite view. The freedoms involved are well worth the cost in inequality, not least because they encourage the independence, thrift, competition and excellence that society needs. Some Tories, imbued with the Disraelian vision of an unfettered society, are uneasy about the divisive effect of private education, but their voices are seldom heard. For most Tories, private schools are no more of a problem than home ownership and private industry.

The dilemma of private education should be most acute for the Liberal Party, a belief in freedom is not easily reconciled with a desire to build a more just and homogeneous society. But the Liberals have seldom had enough energy and professionalism to work through to a resolution of this conflict.

Is there any reason to suppose that the SDP will succeed where the other parties have failed? The party's first instinct may be to avoid an issue that has proved so intractable in the past and that is not high on the list of voters' priorities. There is, to be sure, a realisation of the need to solve the riddle of the public schools; they seldom emerge with credit. Yet the dilemma posed by private education is one of the touchstones by which the public can judge whether a party is really committed to the difficult task of releasing Britain from its class-structured past without curtailing its essential freedoms. And if the SDP is not committed to that task its *raison d'être* begins to look rather unconvincing.

Fortunately for the SDP one member of the party reads the ship is unlikely to allow this issue to be forgotten. Mrs Shirley Williams' approach to the dilemma has, however, been widely misunderstood. What ever euphemism it employs the Labour Party wants to see private education done to death.

Mrs Williams' approach is both more complex and more realistic. She wants to see a society in which education does not reinforce class barriers and in which the most influential parents throw their weight behind the national education system. But she recognises that you cannot achieve these goals without the cooperation of the independent schools themselves.

The Labour Party will never achieve this cooperation because the independent schools do not trust the Labour Party and with good reason. If the SDP can inspire trust while at the same time convincing the

schools that it is determined to confront the issue of private education, there will exist for the first time a political context in which there is a chance of resolving the public school dilemma in a constructive manner.

Mrs Williams is not so naive as to think that the schools will fall over backwards to cooperate. They are in a strong position. In the short term they do not need to negotiate with anyone. But the opportunity created by the SDP may not recur and there will be some heads of independent schools, motivated by a realistic appraisal of the long term interest of the independent sector or by a disinterested desire to see the public school dilemma resolved, who would not reject out of hand a policy of moving towards integration.

Of course it all depends on what is meant by integration. If the schools think that integration means opening their doors to a handful of pupils whose fees are paid from public funds, they will have to think again. That approach might have stood a chance 40 years ago but it has now been discredited (not least by the assisted places scheme) and would hardly satisfy even the most friendly members of the SDP. Equally the SDP would be wrong to interpret integration as the total absorption of the independent sector in the existing maintained system. If that is the proposition no independent school headmaster in his right mind would be interested.

At which point most people lose heart and say nothing can be done. But that is because they are trapped in the present situation and find it difficult to conceive of a national education system in which schools that have retained a measure of independence are playing an effective role.

But if we break the mould of our present view of how secondary education should be organized it is possible to conceive of a system that embraces both local and national schools, the former administered by local education authorities and serving the needs of the mainstream of secondary education, the latter administered by central government and serving needs that cannot be met locally.

So the national schools might, for example, be specialist mathematical or language schools, or high-powered sixth form colleges either serving a wide urban catchment area or offering residential sixth form education. In some areas there is an urgent need to provide access to minority subjects: at one time that would have meant classics but now it also means physics, further mathematics and some modern languages.

Once we start to think in these terms the riddle of what to do about the public schools looks much less formidable. As soon as some of the schools were convinced that they could play a part in a national (not a local) education system while retaining the degree of independence enjoyed by national universities, we should be well on the way to resolving the public school dilemma.

The SDP is in an ideal position to explore this way forward. Uncluttered by previous commitments it can take a fresh view of how secondary education might develop. It is not inhibited by political dogma or vested class interest. Above all it is the only party that can inspire the trust of the independent sector while at the same time convincing that sector that the public school dilemma has got to be resolved.

John Rae

The author is Head Master of Westminster School.

Sir Ian, enduring a Tory double life

When the Prime Minister's assertion that the Government is united brings an explosion of laughter from both sides of the Commons, and the Conservative Minister of the Navy can be sacked for resisting defence cuts, it would be a brave cabinet minister who put himself on record as an opponent of monetarism, dogmatism, free market economics and the dismantling of the welfare state.

But this is what Sir Ian Gilmour, Lord Privy Seal and deputy Foreign Secretary, did last week. It is not entirely his fault. One of the difficulties of collective cabinet responsibility is that, while in public you must profess to agree everything the Government is doing, your private thoughts may best be expressed by words you wrote before bound by the oath of executive solidarity.

Last week, while Sir Ian was spending the Whitson recess in his farmhouse in Luccombe, Tuscany—the house was on the market, no takers—his book on Conservative ideology, *Inside Right*, was republished. If he had delivered it as a speech last week, his boss, Lord Carrington, would have needed to pass an eye over it first and, had he persisted, it is more than likely that Sir Ian would even now be emptying his desk in the former Secretary of State for India's room at the Foreign Office.

Sir Ian's dilemma now is that he is being forced to live a double life. He believes that monetarism is incapable of producing the economic recovery which is promised, and that, at the very least, monetarism and the views of Dr Friedrich Hayek and Dr Milton Friedman should not be swallowed whole. And yet he may not voice his dissent.

He is often accused of criticizing the Government's policies in private at dinner parties and remaining silent in Cabinet. The truth is that the moderates within the Cabinet

economy should be through strict monetary control and a rejection of a government in comes policy.

The allegation that Toryism has been betrayed, wrote Sir Ian, "does raise some apparently awkward problems. For one thing it implies that Churchill, Eden, Macmillan, Butler, Douglas-Home, Heath and Macleod were all either grossly misguided or were not Tories. This seems improbable." He continues: "The pattern of British post-war policies was set by Churchill's great wartime Coalition, not by Attlee's post-war Government. And that 'Neither Keynes nor Beveridge, the two chief architects of the consensus, was a Socialist; and the consensus was founded upon making capitalism work, not upon destroying it'."

He explains the rise of the Tory right as a reaction to the breaking of the two-party consensus by the Labour Party in the early 1970s, a further indication that the Tory right had mistaken what was going on. "If the consensus was producing Socialism, why should Labour have broken it? ... The Labour Party is more of a vindication of Tory policies since 1945 than a condemnation of them."

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Sir Ian Gilmour: pragmatic

are forbidden to discuss economic matters. The direction of government economic policy is reserved for a small, exclusive band of ministers led by the Prime Minister, Sir Keith Joseph, Sir Geoffrey Howe and the junior Treasury ministers. Others are not consulted.

Sir Ian is also attacked for remaining in a government whose policies he finds objectionable. He is, after all, a man of independent means, having left a brewing fortune by his grandfather when a very young man. But resignation from the Government is constantly in Sir Ian's mind; an ever-present option which he has only once been tempted to take. When the last Budget was delivered to the Cabinet as a fait accompli, he and two other ministers, Mr Jim Prior and Mr Peter Walker, decided that their resignations would serve no useful purpose at that stage. If they had been able to prevent the budget measures

by their resignations, they might well have done so.

The logic which keeps Sir Ian in the Cabinet is the pragmatic one—and, above all, Sir Ian prefers pragmatism to ideology. But he is not able to do this in the Cabinet, the worst excesses of the present leadership will be avoided, perhaps not even considered, for fear of causing a revolt. Evidence of this can be found in the way that the last budget rebellion was leaked. The news that Sir Ian was in favour and was against came not, as might be expected, from the dissidents themselves, but from an unattributable official lobby briefing the intention being to show how small the internal opposition had been, at the small cost of showing that the Cabinet was not unanimous.

But what irritates Sir Ian, according to those close to him, is that he is not able publicly to support and draw attention to those things which he believes the Government are doing well. For instance, whatever the rhetoric of the Government about allowing British industry to fend for itself, Sir Keith Joseph, Minister of Industry is happily bailing out many companies—for example, British Leyland, Harland & Wolff, Inmos, the Meriden Cooperative, Dunlop and British Steel—but because this sensible pragmatism does not accord with the new Tory ideology, all this good work must go unremarked.

The same is true of monetarism. For all the animosity which the Prime Minister is happy to attract in the name of strict monetary control, very little monetarism is being put into practice. The control of M3 remains elusive, despite the Chancellor dispensing with the advice of the Treasury mandarins. But there is no question of turning an uncon-

fortable fact into a virtue. Support what we say, not what we do, is the dictum of the inner Cabinet.

Sir Ian, in two speeches at Cambridge, has put himself on record about his distaste for what is happening. In both he criticized the founding principles on which the Government is being run and the inadequacies of applying a rigid dogma in the electoral context, and he has survived to bark another day. And, although both speeches drew antagonistic fire from right-wing Tories in the country, Mrs Thatcher made no mention of them to Sir Ian. Although, as his colleagues joke, "Sir Ian is so wet you could shoot him off him," he has a mellow licence to be wet.

This untypical tolerance in the Prime Minister is put down to two failings in her character. First, as the daughter of a grocer who finds herself the leader of the Conservatives, she loves a toff. And there is no faulting Sir Ian's blue blood. As third Baronet of Liberton and Craigmillar, he married Caroline, the younger daughter of the eighth Duke of Buccleuch, in Westminster Abbey and among the guests were the Queen and the Queen Mother.

The second element of Sir Ian's character for which Mrs Thatcher forgives him almost anything is that he is an intellectual, not just bright but a full-blown book-learner and expert. He is the author of *The Spectator* who happily quotes Dostoevsky, Russell, Kant, Tolstoy, Burke, J. S. Mill and Popper if he knew them personally. There is evidence, however, that Sir Ian is being accused of being too clever by half.

With a maximum of just

under three years to go before the next general election, the Government seems no closer to producing firm evidence that its unwavering policies are likely to produce tangible results in time. As we reach the end of industrial destocking and productivity shows no sign of improving, the Chancellor is taking the need for a three-year term to complete the job. In such a climate, the Prime Minister is unlikely to continue to be generous to dinner-table snipers.

A bust-up is in the offing, whether it be the expulsion of the dissenters—among whom Sir Ian would be the first to receive his cards—or a rebellion from the wets, taking with them the silent wets who have until now put cabinet loyalty before personal conscience. Friends of Sir Ian say he is half-expecting the sack and would then mount a loud and vociferous campaign against the monetarist clique.

This would at least allow him to exercise the public belief in private. As he said in his second Cambridge speech: "It is anybody's guess when the economic fashion will change. I would guess that it won't last half as long as blue jeans or beards."

And, of the right-wing perspective: "This view of the monetary year is as hard as any other. It is not untrue and philosophically absurd; and I hope that Conservatives in 20 or 30 years time will take a more charitable view of the present Conservative Government than the fashionable ideologues of today take of Rab (Butler) and the post-war Conservative leaders."

Nicholas Wapshott

Inside Right by Sir Ian Gilmour is published by Quartet, price £11.50.

Last-minute hitch to find new top man at Broadmoor

Patrick Jenkin, the Health and Social Services Secretary, is having a problem replacing Patrick McGrath as doctor in charge of Broadmoor, the special hospital in Berkshire whose patients include mentally ill offenders.

Dr McGrath retires next Tuesday and a replacement has still to be found. The post was advertised some time ago but the advisory committee of six (three civil servants from the DHSS, one from the Royal College of Psychiatrists, one from the University of London and the medical director of Park Lane, another special hospital) could not agree on a successor.

This was especially surprising in view of the fact that one of the two men on the short list was Dr Kypros Loucas. He is already at Broadmoor and regarded as the most experienced doctor still young enough to take on the job. (Dr Edgar Udwin, McGrath's current nurse, is felt to be too old.)

Dr Loucas is, however, a controversial figure, especially among voluntary bodies involved in mental health and civil liberties. His appointment would have been popular with Broadmoor staff, but the voluntary bodies made it clear to Mr Jenkin that he was unacceptable.

The reason is that he was the doctor at the centre of the controversy last year over unmodified "ECT" (electroconvulsive therapy) when two Broadmoor nurses said they had seen ECT used without muscle relaxant or anaesthesia. MIND has also received complaints about Dr Loucas. It alleges he had told patients that, should they apply to have their cases taken to mental health tribunals, it would delay their discharge.

Apparently, as a result of this pre-



The HMS Ark Royal

of 690 tons, was built for Sir Walter Raleigh, who intended to use her to help colonize North America. Instead she was pressed into service as the flagship of the Lord High Admiral, Robert of Elingham, who led the English Fleet against the Spanish Armada in July 1588.

Ark Royal No 3 also underwent a metamorphosis. She was being built as a merchant vessel when the Admiralty took her over in 1913 and completed her

THE TIMES DIARY

The fifth Ark Royal, which the Queen Mother will launch today, may have an uncertain future but the name has a distinguished past.

The first Ark Royal, of 690 tons, was built for Sir Walter Raleigh, who intended to use her to help colonize North America. Instead she was pressed into service as the flagship of the Lord High Admiral, Robert of Elingham, who led the English Fleet against the Spanish Armada in July 1588.

Ark Royal No 3 also underwent a metamorphosis. She was being built as a merchant vessel when the Admiralty took her over in 1913 and completed her

as a 7,400-ton seaplane carrier. She won battle honours at the Dardanelles.

The third Ark Royal was launched at the Cammell Laird yard at Birkenhead in 1937. She was the first British ship to be conceived and designed as a flat-topped aircraft carrier to operate engaged aircraft. Her most famous engagement was in May 1941, when her Swordfish torpedo bombers crippled the German battleship Bismarck and allowed the Home Fleet to overtake and sink her. She was torpedoed and sunk six months later.

The fourth Ark Royal was ordered in 1942 but not commissioned until 1955. She was the first Royal Navy carrier built for intensive jet operations—angled deck, steam catapult and mirror landing gear.

I had asked for witty, preposterous or cunning excuses but I should also have added a category called "charming", since this best describes many of those sent in. For example, Mary Evans of Scarborough was on an inter-city train that was late arriving at Kings Cross. The driver had the passengers in stitches by explaining that the engine "was tired". Roger Stokes, a housemaster at Worch school, says he once had a telegram from a Nigerian pupil at the beginning of term which read: "Sorry late stop Bedouins camping on runway".

Jane Gordon of Maidstone would appear to have a charming, quiet reason, born to be a diplomat or a snooker commentator. He once refused her request to lay the table with a whispered: "Oh, mum, not now—I'm mucking out my caterpillars".

There were two runners-up, but no runners-up inflated, I'm afraid.

Mrs Zillah Dovey, of Theford in Norfolk, appears to have discovered something the census people should know about. She wanted a birthday card for a five-year-old. However, the shop had sold out because, as the assistant explained, "five is a very popular age this year".

Incredible though it may sound, Cicely Hunter, of Richmond, Surrey, tells me she was once in the restaurant of a London department store but couldn't get served because "the waitresses are out to lunch".

But the souvenir bottle of 1973 Bollinger (which I tracked down at a wine merchants in Aberystwyth) goes to Mrs Jean Argles of Lancaster. She recalled an incident when her brother, then aged nine and at prep school, was asked by their parents how it was that in exams he came consistently lower than his friend, who was younger. The boy's reply was the clever, chilling put-down I was looking for: "Ogilvy has clever parents".

Even now, 40 years on, he deserves a glass of Mrs Argles's champagne, which I hope will help raise other happy memories.

Several of you wrote in with excellent—and very funny—suggestions—for other competitions. Watch this space. Eleven bottles still to go.

Sweet Retreat

Corporal Richard Butler will make military history next week when he appears with the Royal Regiment of Fusiliers at Beating Retreat on Horse Guards Parade. He will play the Northumbrian pipe, the only English bagpiper, and his appearance will mark the first occasion a British regiment has used one.

Corporal Butler is not a regular soldier; he is a Territorial and a school-teacher in civilian life.

In the Northumbrian pipe the bag is inflated not by the piper blowing into it, but by a small, arm-operated bellows. Its notes are considered (by Northumbrians) to be much sweeter than those of the bagpipes of other bagpipers.

Retreat is being beaten seven times in a fortnight at Horse Guards Parade, starting with the Household Division tonight. On Thursday, the highlight of the series, the salute will be taken by the Queen and the Duke of Edinburgh.

We are amused

Rare example of a royal joke. Last week the Dutch Ambassador, Robbert Fack, lunched with the Queen and let it be known that he will not return to Holland when he retires next January but will stay in England.

"Oh, yes," said Her Majesty, "and where are you going to live?" "South Gloucestershire, ma'am," said the ambassador.

"How common."

More Mortimer

Lord Olivier is to star as Clifford, the father of playwright John (Rumpole of the Bailey) Mortimer, in a Thames Television production of Mortimer's autobiography, *Voyage Round My Father*. Mortimer, who has just turned from his own voyage around the world, taking in New Zealand, Sydney, Bali and the Taj Mahal, will be played by Alan Bates.

Alvin Rakoff directs and filming starts in three weeks at Mortimer's rambling home near Christmas Common in Buckinghamshire. He is busy putting out, however, since he is busy putting the finishing touches to a second volume of autobiography which is expected to be the subject of fierce rivalry between the heavy Sundays trying to serialize it.

Peter Watson

Members of the Wedding (2)

The end of Anne's nose with a little saw. He cut off and transferred to Charles's jaw. "We're very pleased," Her Majesty declared, "to see these irritating faults repaired. A blemished Royal profile rather cramps The style of those chaps who design the stamps."



From Charles Charming's *Challenges on the Pathway to the Throne*, by Clive James with illustrations by Marc, to be published on Monday, June 8, by Cape at £4.95. Text ©1981 by Clive James. Illustrations ©1981 by Marc.

Le Monde
LA STAMPA
THE TIMES
DIE WELT

Europa

VOL VIII No 9

AN ECONOMIC MONTHLY PUBLISHED IN
BRITAIN, FRANCE,
WEST GERMANY AND ITALY



Women's day on the People's March for Jobs leaving Hitchin, Hertfordshire, for Luton last week.

Unemployment is not inevitable

Michel Godet detects an implicit agreement between government, employers and unions which keeps people out of work. Other aspects of the problem are discussed on pages II and III

Three million unemployed in 1974, six million in 1978, eight million in 1981: the situation is getting steadily worse in the Community, where the rate of increase in the labour force since 1975 has been 2.4 times greater than that in total available employment. What lies ahead could be even worse than the direst forecasts so far because, at the present rate, the number of unemployed will have risen above twelve million by 1985.

There is a silent and conspiratorial majority which acquiesces in the alarming prediction that the rise in unemployment has only just begun. This belief is founded on acceptance of the implacable logic of the structural adjustments dictated by the external constraint of oil prices. The cost of oil in real terms can be expected to continue to rise by between 2 and 5 per cent a year, so that it will have multiplied by 1.5 to 2.5 by the year 2000. The only uncertainty is whether the increases will occur gradually or in fits and starts.

Even the most rigorous energy policy will be insufficient to overcome this constraint. It will become more necessary than ever to export manufactures to pay for essential imports. Hence the overriding importance of competitiveness and innovation which, given the present relative costs of the factors of production, will lead to an acceleration in the substitution of capital for labour.

Until such time as they are able to adjust their economies so that the role of energy is profoundly modified, most European countries, confronted with the need to protect their balance-of-payments position in the context imposed by the energy constraint, face the prospect of slow growth (and none at all, or even decline, if oil prices rise too sharply).

The outlook is all the bleaker in that it would be vain to expect the existing service industries to offset the losses of industrial jobs. It is more likely that the revolution in microelectronics will lead to massive cuts in banking, insurance and government agencies.

It would be vain to believe that today's unemployment is guaranteeing tomorrow's jobs because, if the organisation of our socio-economic structures remains unchanged, the same causes (external constraints) will produce the same effects (recession, inflation, unemployment).

This is no time for defeatism. Unemployment is not inevitable. The main cause of the jobs crisis is our refusal to adjust our behaviour and our structures to the ground rules imposed by a new context.

To attack this context is to go for the wrong target. The crisis lies within rather than in our environment. Inflation continues because it suits too many powerful forces which have a vested interest in it (states, companies, private individuals). Similarly, the unemployment situation is aggravated by the fact that it serves to compensate for various inflexibilities which those who are best placed to take remedial action (companies, trade unions and so on) turn to their advantage.

If very high unemployment for exploiting every means of making the most flexible and most profitable use of the labour factor, it must also be admitted that some trade unions

structural inflexibility accumulated over the 30 affluent years, which, on reflection, were not so glorious as some have claimed.

There are indeed many sources of inflexibility in the system (taxation, restrictive practices on the part of employers and unions, social security) which encourage companies to substitute capital for labour — machinery is easy to get rid of and never goes on strike — and which are also conducive to the emergence of an "informal sector" that is more adaptable and independent (recession, inflation, unemployment).

The perverse effects of regulations are well documented; suffice it to mention the example of companies which do not take on labour for fear of being unable to lay men off if necessary. However, as the development of temporary employment and short-term contracts demonstrates, people eventually find ways round all forms of rigidity. In this context, the various special premiums for employment and recruitment of young people must be seen in part as measures aimed at circumventing the obstacles associated with the statutory minimum wage.

If employers deserve blame for exploiting every means of making the most flexible and most profitable use of the labour factor, it must also be admitted that some trade unions

behave almost as though they were associations with proprietary rights over employment, placing the defence of the corporate status and privileges of their members above all other considerations.

In a centralised society where there is high unemployment, those who are in the best position to change the distribution of incomes to their benefit are the groups that control the key sectors (energy, transport, telecommunications) and enjoy security of employment by virtue of their position.

However, the day is now past when benefits gained by one group were eventually granted to all others. During a period of low growth, the knock-on effect no longer works and advantages gained by individual groups become unwarranted privileges; wage claims or demands for greater job security for those in employment effectively reduce the chances of success for those who are trying to find work.

Thus what is gained by those who are in a position of strength is lost by others who are more exposed to market forces and therefore less well placed. One man's security is another's insecurity. Under such conditions, the greater the numbers — and advantages — of those in the protected sectors, the greater the insecurity and the more disadvantaged the position of workers in more exposed industries and of the unemployed.

Employers and unions never willingly give ground, and

governments, either by tradition or through lack of political courage, refuse to impose negotiation or changes in the industrial relations ground rules. In a nutshell, it is easier in the short run to take refuge in the status quo. This is the unwritten agreement, which is tantamount to an implicit consensus on unemployment.

This phenomenon is clearly recognized in the report on the "great weariness" submitted by the committee chaired by M. J. Lespigne in connection with the five-year plan: "It often occurs that the various parties involved in economic life, and industrial relations consciously or unwittingly contribute through the decisions they take, or the behaviour they adopt, to the deterioration of the unemployment situation".

If this consensus on unemployment prevails, the inequalities occupational status will soon be as marked as those in incomes.

The nature of unemployment is totally different from what it was in 1930: although the economic effects are mitigated by benefits, it is above all a factor which accentuates inequalities; those most affected are women, immigrants, workers aged over 50 and young people as a whole, who account for only a fifth of the labour force but almost half the number of unemployed.

All rules lead to forms of inequality which, with the passage of time, are turned to advantage or abused, by minorities. Consequently, when the disadvantages outweigh the advantages, as in many instances today, it becomes necessary to introduce new rules or even to deregulate some areas.

Examples of what deregulation means include:

- action to prevent certain rules (methods of assessing the basis of social contributions, tax relief on investment and so on) from arbitrarily raising the relative cost of the labour factor
- promotion of employment as a whole, with less protection for the formal sector, namely desisting from combating unemployment in the informal sector, giving it official status and by the same token better protection through monitoring
- legitimizing the "black economy" since insecurity and abuse proliferate more readily under cover than in the open
- a new look at irreversible career profiles, length of service as the key to promotion and age as the criterion for the allocation of responsibilities — naturally the flexibility that we envisaged is incompatible with the rather rigid and hierarchical

paperwork, and too much larking around after lights out. Some parts of the unit, in fact, are an utter shower.

"Take the home farm. Costs have gone through the roof, we've more stuff than we can use in the mess or the cookhouse, and some clots' been selling the rest to the Russians.

"Take mess bills. Exorbitant, wasteful, and unfair. Junior officers have been paying over the odds, while others make a tidy profit. And we're nearly in the red.

"Take energy. I've not seen too much of that about, I can tell you. What I have seen is idleness. You and I are going to sort that out. Work hard, and play hard, and no slacking. And if anyone thinks he can box clever, he'll be for the high jump so fast his feet won't touch.

"No questions? Right. You play ball with me, and I'll play ball with you. Carry on, sergeant-major."

Pangloss

continued on next page

Bad year for Eurocrats' pockets

Bloodletting at the Berlaymont

It has been a bad year for Eurocrats. True, they remain fairly well insulated against the rude winds of the economic recession. Few of them will be found in Europe's lengthening dole queues, but their world has none the less lost some of its comforting sense of security.

Early this year there was the abrupt announcement by the Council of Ministers which as the representative of member states controls the Community's purse-strings, that it had decided to abolish an agreed procedure, in force since 1976, for calculating the annual salary increase of the staff of the European Commission and other Community bodies.

Then, more recently, there was the pruning of the upper branches of the Brussels hierarchy carried out by the Commission itself. Some shake-out of top jobs is traditional every four years when a new commission takes office, but it was executed on this occasion with a vigour, even ruthlessness, which many in Brussels found shocking.

The pay dispute was caused by the sudden decision of member states that they could no longer guarantee to finance the existing system which raises staff salaries each year automatically, in line with the local cost of living index, then tops them up by the average increase in the real income of national civil servants over the previous 12 months.

Led by the budget-conscious West Germans, whose Deputy Foreign Minister, Herr Klaus Dohnanyi, had declared that it was "impossible to justify a situation where middle-ranking officials in Brussels can earn more than my Chancellor", member states also said that EEC salaries must gradually be brought into line with the generally lower level of remuneration enjoyed by national civil servants.

There is no doubt that EEC staff are well paid by national standards, and this is resented at a time of recession when governments are asking their electorates to accept economic sacrifices. Basic salaries for the 8,500 multinational employees of the European Commission, for example, extend from £6,700 a year for doorkeepers to about £40,000 for heads of departments and £50,000 or more for commissioners.

A special Community tax rate applies, so that a comparison of post-tax pay is generally favourable to employees of the EEC. Average post-tax pay for a bachelor on the Commission, for instance, is about £12,000. In addition, all employees get an expatriation allowance equal to 16 per cent of basic salary and other allowances, depending on the size of their families.

EEC employees are not unaware of their privileges. However, many are prepared to accept that there is a case for narrowing the gap between



Herr Klaus Dohnanyi: "Impossible to justify middle-ranking Brussels officials earning more than my Chancellor".

Community and national salaries. What upset them was the unilateral decision of the Council of Ministers to tear up an existing agreement and replace it with something else without even the courtesy of consultation, let alone negotiation, with the staff.

The dispute is still not settled, though strike action has been suspended while the search for agreement continues. Member states are debating a new method for adjusting salaries which would link them less rigidly to the cost of living index. Any increase would also be cut by 2 per cent in each of the next five years as a special measure to bring EEC salaries closer to national ones.

As the Eurocrats see it, it is not simply a question of money, though many would argue that their special linguistic skills and willingness to uproot their families to come to Brussels justify some extra financial reward. The comparison with domestic pay scales is seen as concealing a more sinister desire to diminish the European Community's supra-national status.

This argument touches on an ambiguity which colours the European Commission's whole existence. Although nominally — and in some of its executive functions genuinely — independent, the Commission is in other respects the field of national governments. Commissioners themselves are national and often highly political appointees.

What is less well known is that their senior civil servants — the directors-general who head the Commission's various departments and the directors of division within these departments — are also in most cases holders of a more sinister position: the employment of national governments rather than career Eurocrats who have

dedicated their lives to the service of Europe.

Jobs at this level are distributed according to quotas based on national shares of the EEC's total population. Some of the older member states have added to this purely numerical entitlement what has come in effect to be accepted as a prescriptive right to certain jobs which they are most reluctant, and for that reason seldom pressed, to surrender to other nationalities.

As a result, recruitment to the senior grades of the service often depends more on an applicant's nationality than on more obviously relevant qualifications. This does not make for good career or promotion prospects, and able younger staff become impatient and frustrated, then cynical and disillusioned. Brussels emanates little of the esprit de corps associated with the best of the national civil services.

The rigidity of the system has often been criticized, most recently by the so-called Spierenburg report on the functioning of the Commission which was drawn up at the request of its previous president, Mr Roy Jenkins. It was partly in response to this report that the new Commission, under Mr Jacques Thorez, decided this year to make rather more vigorous use of its powers to retire senior officials "in the interests of the service".

Officials who retired continue to be paid up to two thirds of their leaving salary for a number of years (depending in part on length of service) and this is often enough to take them to the age at which they qualify for a normal pension. It is a fairly painless and humane way of making room for infusions of new blood at senior levels.

This year some posts had to be vacated in any case to make room for the intake of new officials from Greece. But in itself this is not sufficient to explain the departure of more than two dozen senior officials now under way. It also provided a pretext for easing out a number of people judged to have come to the end of their useful contribution to the service.

In practice, many of them, perhaps sensing the new mood, readily volunteered for early retirement. But others, some of them still only in their early fifties, will be leaving reluctantly and with some sense of injustice. The term purge has been used, but it is not accurate. The Berlaymont, to describe the exodus.

Mr Thorez's advisers think this criticism unreasonable. For years, they point out, the Commission has been criticized as an ossified and complacent bureaucracy. But now that a small step had been taken to meet that complaint it is accused of being callous and unfeeling.

Michael Hornsby

Danger of neutralist policy

'Buying time' will lead us into decline

Any European who is disturbed by the policy of independence or neutrality pursued by our countries would perhaps do well to reflect upon the decline of the Byzantine Empire where, for four centuries, an impressive succession of Christian emperors and their ministers managed the decline as though retrenchment and surrender were part and parcel of the exercise of power.

How does one describe the "great weariness" the Nietzsche diagnosed in Wagnerian music all of a century ago when it becomes a political act? What are the main features of a policy of decline (albeit presented as a policy aspiring to the status of great power)?

I enumerate them, in no particular order: the perversion or disappearance of notions of balance, dialogue and compromise; the adoption of a sort of policy of "neutrality" in regard to one's own international position; the attempt to dissociate oneself off as a mere "by-stander" in disputes which threaten one's vital interests; and the desire to negotiate at all costs, the associating force from persuasion.

Other features are the inability or even refusal to exploit difficulties in the opposing camp; the absence of any long-term perspective which would give a glimpse of solutions to the major conflicts of the day; the abandonment of alliances which could give protection in the event of an armed conflict because they are denounced by the most redoubtable adversary; withdrawal on a temporary basis — behind Maginot lines of internationally unrecognized neutrality; and a general and growing disproportion between the challenges presented by the outside world and the reactions to them.

But why the Byzantine paradigm? What have we to learn from this remote analogy on our policies of surrender? Cannot the historian call upon other models to help him to address the problem of the future?

The Byzantine Empire offers us the example of centuries of retreating before the Ottoman advance: four centuries of erosion, crumbling and debilitation. It began with the loss of Anatolia, the plateau which had served as the granary of the empire and had been the recruiting ground where the successors of Constantine had raised their armies. There followed the falls of Ephesus in 1308, Nicomedia in 1337 and Adrianople in 1357. Penetrating the Balkans, the Sultan's armies

completed the encirclement of the empire, or its remains. As it progressively lost the means to secure the defence of a great power, Constantinople sought to adopt a neutralist attitude not only towards the East, but also the West. However, as has been pointed out by Steven Runciman, the historian of the fall of Constantinople, this merely lost the sympathy of France without paying the tribute to the enemy.

"The Muslims bore her no gratitude for her efforts to temper the zeal of the Crusade, whereas the Crusaders resented her lukewarm attitude to the Holy War."

Torn by internal struggles and religious disputes and weakened by affluence, Constantinople accepted the unacceptable. During those centuries the internal crises of the Ottoman Empire and the wars that it had been drawn into on its eastern frontiers had given hope to the Byzantines. Constantinople's cultural prestige was quite undiminished by the political and military decline of its empire.

Aeneas Sylvius Piccolomini was later to write that no Italian who had not studied at the university in Constantinople during his youth could lay claim to true scholarship. It is interesting that the "Romans" (Romaini) who had belatedly discovered their Hellenic origins professed a "catastrophism" which is similar to the Roman pessimism and finds strange echoes in the cultural pessimism of a Spengler or Valéry.

To the end many Byzantine intellectuals were unconvinced that the fall of Constantinople was not preferable to union with the Western Christian Church, the precondition for aid from Europe, however insubstantial. "Rather the Sultan's turban than a cardinal's hat," this sadly famous remark attributed to Lucas Notaras, the last of the Byzantine grand ministers, irresistibly puts one in mind of Bertrand Russell's "better red than dead", of which we have a more recent reminder from the atomic physicist Victor Weisskopf, when he invited our countries to surrender to the Soviet armies of occupation in the hope that we would regain our moral and material superiority in a matter of a few decades.

Western Europe's position in the face of the campaign to encircle it which has continued since the end of the Second World War is not dissimilar to that of the Byzantine Empire when the hostile armies were at

its gate. The loss of central and eastern Europe may not be as essential as the loss of the Anatolian plateau to the Muslim occupying forces was for Constantinople, but it has brought Soviet troops to within a short distance of some of our most important urban centres. (On close inspection Western Europe may be seen to be more than a long coastal zone whose communications would be extremely vulnerable in the event of war.)

The Soviet presence in the Middle East and Africa represents for us a threat of the same order as the Turkish penetration into the Balkans, and were the Soviet armies to seize the Gulf oil fields the significance of such a move would be equivalent to that of the construction in 1453, on the European shores of the Bosphorus, of Rumeli Hisari, that fortress which has since then been look upon with equanimity.

Confronted with this situation, Europe seems to have lost all long-term vision. Concerned only with the immediate, it is incapable of putting its relations with Eastern Europe and the Third World into the perspective of a long-term destiny that it needs to be able to control.

Moreover, by adopting a resolutely neutralist attitude to events, but governments seem to be jeopardizing the Atlantic partnership which, as far as essentials are concerned, is the guarantee of the continent's security. A deterioration in relations between Europe and America cannot fail to have a destructive influence on the Western world.

What would be our fate if we embarked upon a policy of "independence" without first having achieved sufficient progress along the road to European union? What outcome could we expect from a single-handed confrontation with the Soviet Union, turning our backs on the Atlantic Ocean, which would then become an impassable obstacle instead of the real link with our allies that it is today? Only the Byzantine paradigm can give the measure of the likely consequences.

But at all events the European pessimist, the futurologist of decline, is looking to events to invalidate his working hypotheses and to destroy once and for all the malign power of historical analogy.

André Reszler
lecturer at the Institut d'Etudes Européennes and director of the Centre Européen de la Culture, Geneva

Europa authors give continent-wide views of the effects of recession

Germany: end of a miracle

There will not be full employment in West Germany in this decade. That would require economic growth of more than 6 per cent a year, which not even optimists regard as likely. Between 1974 and 1980 gross national product rose by only 2.3 per cent annually.

In January 1975 the number of unemployed passed the one million mark for the first time. And this situation threatens to become permanent: according to long-term projections by Prognos, the Basle economic forecasters, by 1990 the number of people capable of work will have risen to more than 27 million but the number of jobs in existence will be only 25 million.

The labour market is under pressure from both sides, a state of affairs which is particularly in evidence this year. The demand for labour is falling because of the recession but at the same time the supply is rising because a bulge in the birthrate in the past is bringing more young people on to the labour market.

In this respect the situation is worse than in the recession of 1974-75. In earlier years unemployment was simply not a topic of interest in West Germany. In 1970 the rate was 0.7 per cent and even in 1973, the year of the oil price explosion, it was only 1.2 per cent.

Although the last recession, in 1975, caused a drop in output

and a fall of 760,000 in the number of people in work, the number of unemployed increased by only 492,000, because the numbers coming on to the labour market were outweighed by the combined effect of retirements, people ceasing to register themselves as unemployed and hence disappearing — statistically speaking — into the "hidden reserve", and guest workers returning to their homes abroad.

According to the Economic Institute, the Institut der Wirtschaft in Cologne, this compensatory effect is no longer operating. If, under present conditions, gnp falls a further percentage point as forecast, 150,000 to 175,000 workers would probably lose their jobs. The level of unemployment would then rise from last year's average of 889,000 to 1,200,000 in 1981.

This level was reached in March and April. In April the number out of work fell, for purely seasonal reasons, by 63,700 to 1,147,000.

The significance of these figures is disputed. On the one hand it is pointed out that they contain people who are not genuinely unemployed. For instance, some 59-year-old workers register themselves as unemployed to be able to retire early; they may retire at 60 if they have been on the books of

an employment office for the previous 12 months. Similarly, young people waiting to take up a course of study or training must register if their parents are to be able to draw child benefit.

On the other hand, there is the "hidden reserve" consisting of all those people who for different reasons — perhaps because it is beneath their dignity or because they are fed up with looking for a job — do not register. Their number is reckoned to be at least 500,000.

The increase in jobs is being slowed by another factor: for some years now output per person has been rising faster than national output. Technical progress and structural change in industry have been compelling firms to rationalize. Employees' representatives oppose any forced technological change. This view is not shared by the Federal Government. It counters such claims by pointing out that an export-intensive country like West Germany cannot afford to lag behind other countries in technological achievement.

There will be no fundamental change in the situation on the German labour market until after 1990. By that time the declining birthrate of the 1970s will have reduced the supply of labour. Some people are afraid that there will then be another labour shortage. But that is still a long way off.

Hans-Jürgen Mahnke



Unemployed teenagers in Germany, who typify the human cost of the recession.

Britain: walking to work

The tumultuous climax in London last weekend to the month-long People's March for jobs from the unemployment black spots of northern England, opened a new political offensive against Mrs Thatcher's economic policies. With more than 2,500,000 registered unemployed and many thousands more not bothering to register because there are no job prospects, the plight of the workless in Britain is overtaking in public first item on the agenda of public policy.

Estimates of the actual number of people without full-time employment vary, but the Trades Union Congress calculated in its recently published *Economic Review* that the country had a true job shortage of 3,773,000. The explanation for this startling figure is that registered unemployment rose by 65 per cent from January 1980 to January 1981, but a Department of Environment survey showed that a quarter of unemployed males and half the unemployed females do not register, making perhaps an

other half million seeking work. The amount of short-time working is equivalent to 160,000 lost jobs and the Government "make work" special employment measures are keeping 383,000 people off the dole.

Throughout the country, there are people on the register for every vacancy notified. In the more fortunate south-east of England, there are still 14 jobless people for each vacancy. The outlook is even bleaker for the unemployed. For every labouring job that comes on the market there are 33 men waiting.

Unemployment has hitherto been thought of as a problem largely confined to areas where traditional industries — mining, steel, shipbuilding, textiles and heavy engineering — are in decline. The recession has now hit the once affluent areas of the West Midlands, Lancashire and the home counties as industries such as motor manufacturing, paper-making and printing feel the pinch. The dearth of jobs hits women harder than men, and

blacks harder than whites. Unemployment among ethnic minorities has grown at twice the rate for indigenous citizens; and putting women out of work was held by the Royal Commission on Wealth to be a main cause of poverty.

The direct cost of having 10 per cent of the adult working population on the dole is colossal. It has been put as high as £7,500m a year. The total annual cost to the state of one average unemployed person is calculated to be £6,207, made up as follows: lost income tax, £1,060; lost indirect tax, £247; lost national insurance contributions, £1,043; cost of unemployment benefit, £2,258; cost of family income supplement, £231; rent and rate rebates, £441; free school meals, £156; administration costs, £156 and redundancy pay, £615.

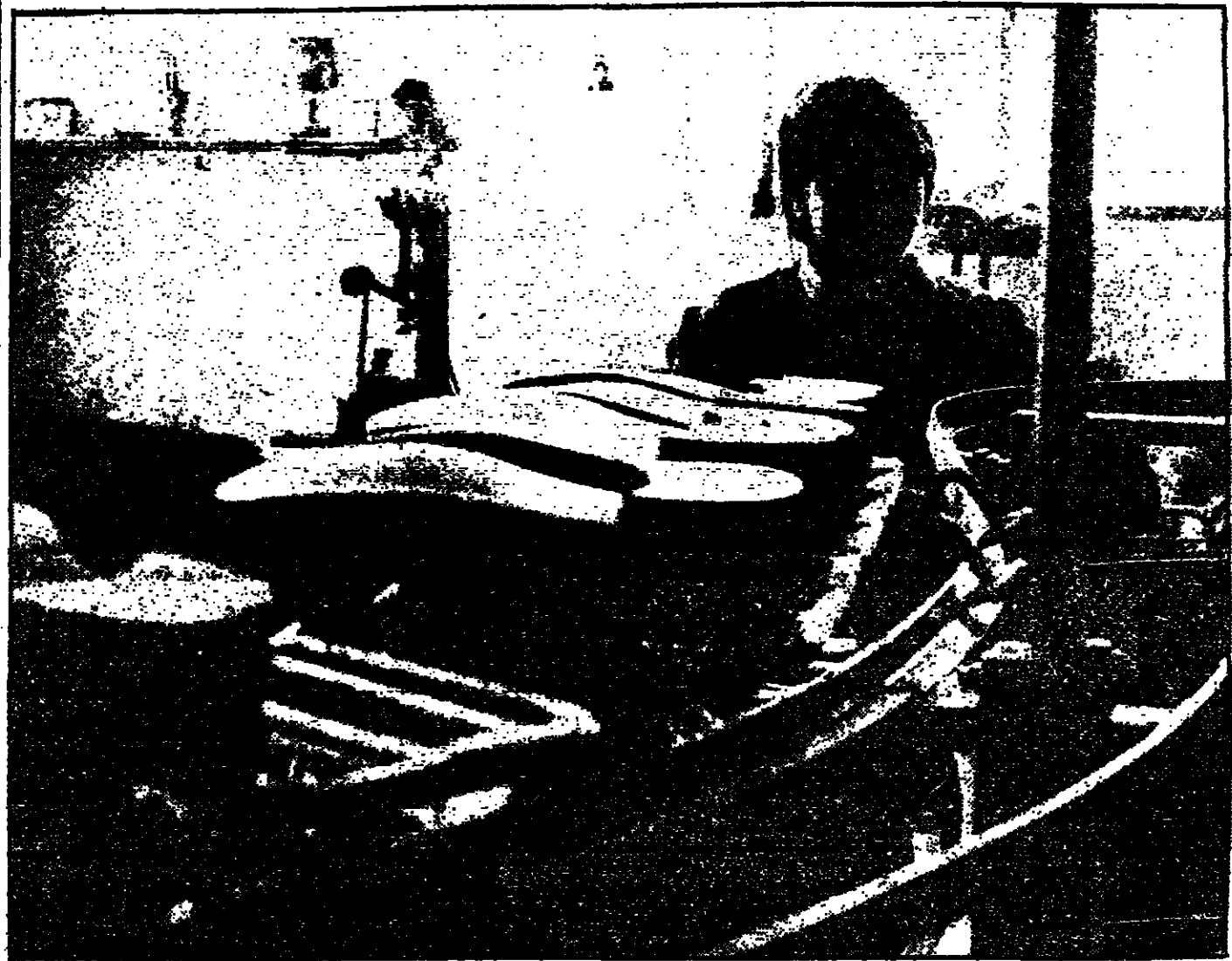
Flat rate unemployment benefit is £33.40 a week for a family man and £20.65 for a single person. The better paid benefit from the earnings-related scheme, but benefits

under this heading are being reduced and will be abolished next year. Unemployment benefits are no longer to rise with prices.

Unemployment also affects economic performance. Each worker out of a job represents something like £7,600 in lost output. The value of work that might have been done is well over £18,000m. Or, put another way, days lost to the economy through unemployment were 20 times greater than the cost of industrial disputes in 1979 — a bad year for strikes.

Against this sombre background, the various economic forecasting groups vie with each other for the most gloomy predictions. Most recently published forecasts suggest that unemployment will remain at more than two million for the next four years while the most pessimistic calculate that 3,300,000 men and women will be on the dole in 1984.

Paul Routledge



Shoemaking in Monsummano, Italy; the type of "cottage industry" that offers the only employment many school-leavers can find.

Favoured at expense of men

Status of UK female labour higher than American

American women have long complained that they are subjected to the techniques of inventory control (last in, first out) by employers and that they are always the first to suffer in an economic crisis.

In Europe, although it is true that more women than men have become unemployed in recent years, they do not appear to have suffered from discrimination to the same extent as their American sisters. At least there is no doubt that the women in the labour force have benefited from a trend which has worked to the disadvantage of men.

Curiously, an examination of the situation in the various European countries shows that Britain and Japan are the two countries where women's status seems most egalitarian. But perhaps that is a statistical illusion.

In the nine member states of the European Community (before Greece's accession at the turn of the year) there are some 30 million women in paid employment. At 8.6 per cent, the average rate of unemployment among women is higher than among men (7.2 per cent), but, except in Italy, the increase in unemployment during 1980 had a worse impact on men than on women, with the absolute figures rising by 33 per cent and 20 per cent respectively.

The situation naturally varies from country to country. France and Belgium are at one end of the scale, with women accounting for well over half the total number of unemployed, while Britain and Ireland are at the other end, with less than a third, and the middle ground is occupied by West Germany, Italy and Luxembourg, with a little over 40 per cent.

However, comparing these figures with those showing the percentages of the labour force actually in employment, one finds that the overall trend between 1950 and the end of the 1970s favoured women at the expense of men, except in Japan, where the movements were broadly similar, although the proportion of both sexes in employment fell.

Of all the West European

countries, Britain shows the most clear-cut pattern, with the proportion of women in employment rising from 41 per cent in 1950 to 57 per cent in 1977, while the corresponding figure for men fell from 97 per cent to 91 per cent. The trend in the United States was even more pronounced, with a rise from 37 to 55 per cent for women and a fall from 92 to 85 per cent for men.

In West Germany we find a rise from 44 to 48 per cent among women and a fall from 98 to 93 per cent among men, while in Italy the proportion of working women rose from 32 to 37 per cent and that of working men declined from 99 to 83 per cent. France shows the smallest change in the proportion of working women, which was as high as 49 per cent in 1950 and is still only 50 per cent, however, the proportion of men in paid employment has fallen, according to the official statistics, from 93 to 84 per cent.

On the other hand, it would seem that differences in pay between women and men, which had been falling, are beginning to widen again in the economic crisis. In Britain, for instance, women's average wages rose from about 60 per cent of men's in the late 1960s to 75 per cent by the end of 1977, but they had slipped back to 73 per cent by 1979.

According to a survey carried out recently by the Commission of the European Communities, although women in almost all the member states still suffer discrimination as regards recruitment, pay, promotion and retirement, very few are thoroughly discontented with their lot and determined to fight to improve it, whereas a very high proportion know little about the work done in this field by various organizations (the trade unions in particular) and there is almost total ignorance of the many forms of action in which the Community is engaged.

The survey report points out: "We can estimate that there is a hard core of women in paid employment, representing about 13 per cent, who have personal experience of discrimination and who think that women are at a disadvantage at their place of work compared with men on most factors: salary, getting employment, promotion, training and so forth. It is important to remember that this 13 per cent represents almost four million people; thus, this is far from an insignificant minority."

Too little is known about the characteristics of the female working population. More than half left school to start work before the age of 16, and 86 per cent left before 19. More than 60 per cent of all those in paid

employment have never left off work, voluntarily or otherwise, apart from taking maternity leave. Eighty per cent have no experience of unemployment. Two thirds are married with two or more children. One third are single.

Apart from the spinsters in the survey (young women for the most part), 12 per cent of the total sample was made up of widows, and divorcees, often with dependent children, whose circumstances are made all the more difficult by the fact that they are also to be found in the lower quartile of their country's distribution of incomes.

The findings of the EEC survey squarely contradict the widespread idea that a female workforce is not stable. On the contrary, 70 per cent of all women over the age of 45 have been with their present employers for over five years. Of the total sample, 68 per cent had a man as their immediate superior and 24 per cent worked in an exclusively female environment. Britain emerges as the country with the largest number of women in supervisory and managerial jobs, but also as that with the highest proportion of women working in an all-female environment.

Jacqueline Grapin

Unemployment not inevitable

continued from previous page

structures of government agencies and large companies.

The consensus on unemployment accentuates the duality of the economy, widening the rift between workers in regular full-time employment and those who have little or no chance of joining them.

The solutions to this problem of segmentation of the labour market are to be found in new employment structures that allow the aspirations of independence and security to be reconciled harmoniously. This could be achieved, for instance, by allocating several part-time

jobs to a single worker or conversely by assigning several workers to a single job. Another possible approach would be for a worker to have a part-time job in the protected formal sector to give him the minimum security he needs and another in the informal sector giving freer scope for more independent work.

Some crises are harbingers of better things to come. In a world whose development is dictated by lagging power, the consensus on unemployment will not be dispelled by fiat and it will probably be necessary to wait until certain

intolerable and irreversible thresholds have been crossed. That is unless the pariahs join forces to form their own union with a potential membership of several millions and put in power a new political force; might not the recent French example point this way?

Report of the committee on employment and labour relations, July 1980, available in French, from Documentation Française.

M Godet is an economist and author of *Demain les Crises de la Résignation à l'Unité* (Hachette 1980).

France: women worst hit

France has seen a fourfold increase in unemployment since the beginning of the economic crisis. At the end of April the number of job-seekers was 1,645,700 in crude figures, and 1,723,700 seasonally adjusted, so that the number of unemployed has risen over the past 12 months by either 270,000 or 284,000, depending on which set of statistics one chooses to go by.

By far the most severely affected categories are young people under 25 and women, who account for 39.5 per cent and 51.3 per cent of the total number of job-seekers respectively. The past year has seen a sharp rise in the number of redundancies, which were up by 45.5 per cent in April 1981 compared with April 1980. The long-term unemployment problem is also considerably worse, with a 12.25 per cent increase over the past year in the number of people who have been registered with the national employment service, the Agence Nationale pour l'Emploi (ANPE), for more than 12 months.

In March 1979 the INSEE (the National Statistical and Economic Research Institute), in its contribution to the preparation of the eighth five-year plan, had

produced "pessimistic" projections forecasting 1,700,000 unemployed by 1983. The seasonally adjusted figure is already above that, two years before the date predicted.

During his electoral campaign the new President called for measures to combat unemployment, including the creation of 210,000 jobs a year (150,000 in the public sector and 60,000 in community services), negotiations on the reduction of working hours to 35 a week and the introduction of a fifth shift in continuous-process work, and retirement on full pension at 60 for men and 55 for women. Can such measures be given effect quickly?

Certainly the forecasts made before the presidential elections by the Organisation for Economic Cooperation and Development and the INSEE were especially gloomy. The OECD estimated that, by the end of 1981, the employment crisis would have led to the loss of 1,900,000 jobs in France to about 1,900,000, or roughly 8 per cent of the labour force.

The INSEE forecast "a sharp acceleration in the number of job-seekers during the first quarter of 1981, with a quarterly fall of 0.3 per cent in the total number

in employment and a continuing decline in the number of unfilled vacancies showing an overall shrinkage of 22.4 per cent in both crude and seasonally adjusted figures between April 1980 and April 1981. This was despite the reform of the ANPE aimed at giving it greater scope for placement of the unemployed.

The result of this unrelenting deterioration in conditions on the labour market has been a month-by-month rise in the number of unemployed workers drawing benefits. The total was 1,282,912 in April, compared with 1,231,786 in February and 944,168 in March last year. The cost in 1980 was 35,000m francs and the forecast for this year is 44,000m francs of which roughly a quarter will have to be found out of the central budget.

The reform of the unemployment benefits system adopted in March 1979 made provision for four main types of allowance: the special allowance paid for a year to people made redundant on a declining scale in quarters; the steps of 75 per cent of the gross wage for the first 60 per cent of the gross wage; the basic allowance (42 per cent of the gross wage as well as 26.50 francs a day); the fixed-sum allowance of between 53

and 26.50 francs a day for single women, young people or discharged prisoners; the income guarantee for unemployed workers aged between 60 and 65, amounting to 70 per cent of gross wages.

This system "overlooked" people whose entitlements had expired and a new agreement was concluded last February under which such people receive a minimum allowance of 26.50 francs a day. With the increase in the number of people drawing benefit and a review of the rates of allowances scheduled on October 1, the thorny question of the financing of UNEDIC (the umbrella organization of the unemployment benefit funds) will have to be faced after the summer holidays.

Will contributions have to go up? Mitterrand's programme called for reductions in social security contributions for labour-intensive companies. Does this, therefore, mean that the state (which has admittedly been shouldering a smaller proportion of the financial burden in recent years), will be increasing its contribution to support for the jobless?

Michel Castaing

Italy: using "lay-off fund" to the full

Unemployment in Italy is tending slowly to increase. In March 1980, the number of persons registered with the Ministry of Labour as unemployed represented 1.2 per cent of the Italian population. Since the Italian economy is going through a period of crisis, it might seem that an increase in unemployment could be taken for granted. However, it cannot be taken as an absolute indicator of the state of the country's economy, for a number of quite conflicting reasons.

Bearing in mind the magnitude of the crisis, might not the unemployment figures have been even higher? Probably. However, it is difficult to dismiss employees in Italy because of the "protectionist" regulations in force, and also because of the strength of the unions (in the 1975 crisis the unions in Italy led by the CGIL, the largest of the three major unions in the West, were prevented. However, instead of sacking employees, much use is made of the "lay-off fund" — the *Cassa Integrazionale* — that is to say, employees are suspended, even for long periods, and during their suspension the *Cassa* (a public body to whose funds the employers make a contribution) pays them 93 per cent of their wages or salary. Some medium-sized firms have had manual workers "on the *Cassa*" for

three or four years. This system has been criticized, and plans for its reform are under consideration.

Could there be fewer unemployed? Quite a number of experts maintain that, in certain conditions, the number of unemployed could fall. It is said, for example, that many medium and small employers, knowing how difficult it is to dismiss staff, are very cautious about recruitment, so much so that, in some extreme cases, they have not the staff to produce the goods. Having tens of thousands of workers "on the *Cassa*", moreover, upsets the labour market for two reasons: the great majority of people drawing money from the fund are not in a position to find another stable job, and so a certain sluggishness affects the mobility of labour from one job to another.

However, the individual who is "on the *Cassa*" is tempted to find marginal work (in small workshops, or in the service industry) without being properly registered, and without paying national insurance and other contributions, thus swelling the pool of black labour and taking away jobs from those who really are unemployed. Parliament is discussing a law to facilitate and streamline "external mobility" — movement from one employer to

another within a radius of 50km from home.

Are all those whose names are on the official unemployment lists really unemployed, and available for work? In other words, do these lists really reflect the state of the Italian labour market? This is a delicate matter on which, every now and then, heated argument flares up. On one point the experts are more or less in agreement: only 50 to 70 per cent of the registered unemployed are really available for work.

ISTAT (the national statistical institute) carries out periodic unemployment surveys divided into three categories: those who have lost their job (in January 1980 the number was 248,000, and in January this year it had fallen to 222,000); those looking for their first job (these numbered 923,000 in January 1980 and 939,000 last January); and "others" in the official records — pensioners (people who retire usually register as unemployed, not so as to get a job but in order to draw unemployment benefits for months at the rate of 890 lire — about 35p — per day), or women with no job outside the home, who register and thus become entitled to certain benefits, such as free travel on public transport.

What kind of work are the registered unemployed prepared

to accept? This is another explosive subject. Certainly there are jobs that the great majority of unemployed refuse — the least skilled jobs, and the most serious problems, especially in the south. The violent demonstrations by the unemployed in Naples are an alarm bell that worries the entire country. The trade unions are working on two fronts: they are attempting to organize the unemployed, so as to link them with the mass of union members who have a job, and in this way develop a common strategy vis-à-vis the Government; and they are concentrating on reducing the working week (the aim is to get down to a 35-hour week by the end of 1985) and trying to prevent automation and new technology from further reducing the number of people in jobs.

Sergio Devicchi

حزبنا من الأصل

Automation and the workforce

High human cost of losing race in new technology

Industrial production in West Germany in 1980 was 23 per cent higher than in 1970. But the number of people at work was 14 per cent lower. This was the result of automation: more output — less labour.

In recent years accelerating miniaturization and cost-reduction in measurement, control and computation equipment have opened up new possibilities. Formerly, production was one of the essential preconditions for the introduction of automation. Now even small production runs can justify it. Formerly automation tended to be the exclusive preserve of large businesses because it was so expensive. Now even small firms can afford it. Formerly automation was used mainly by manufacturing industry. Now it has spread to offices and many service industries.

The replacement of mechanical by microelectronic parts has had a spectacular effect on jobs. The number of parts that have to be manufactured and assembled in making a watch has fallen from about 1,000 to five. It has been possible to reduce the number of workers engaged in the manufacture of teleprinters, taximeters and sewing machines by 40 to 50 per cent. Manufacturers not making the change speedily enough have gone to the wall — witness the once world-famous Anker concern which had 5,000 employees.

The use of numerically controlled machine-tools for small series production has been possible for some time. But the investment was really too expensive; half the cost of conventional numerically controlled tools was for electronics. But now, with microelectronics, the control parts cost only 10 per cent of the whole. One of these machines enables an employer to dispense with two skilled workers.

Robots are another spectacular example of applied microelectronics. They are used mainly in the motor industry. One robot replaces about three workers. The next generation of robots — "intelligent robots" — is being designed to handle all assembly work.

Data processing is making great progress in computer-based design and manufacture. Computer centres are being supplemented by decentralized computers and terminals. Work stations are rapidly being integrated into corporate information systems through the provision of visual display units.

The processing of texts is being rationalized by the use of word processors and computers. Word processors

can be equipped with accessories for teleprinting and facsimile transmission. The "paperless office" is becoming a real possibility. Some 43 per cent of all office work is said to be capable of being standardized and 25 to 30 per cent of being automated.

An aspect of this development that appeals particularly to economists is that some of the new automation technology is not only labour-saving but also capital-saving. In past years there has been a slow but persistent rise in unit capital costs. This trend now seems to have been reversed, at least in some important sectors of

application. However, falling unit capital costs also mean that less human labour is required at the manufacturing end.

Either it had been supposed that workers becoming redundant in manufacturing industry would be absorbed by the services sector. Until recently this was indeed what happened. But a change is now becoming apparent. Important service industries are preparing to reduce manpower as a result of automation. They include banks, insurance companies and public authorities.

Also affected are postal and railway services, and shipping, where employment levels have,

up to now at least, remained steady. The retail trade has been reducing its workforce for many years. Computer-linked cash register terminals will speed this process.

Other service sectors can and must take on more workers. Such sectors are: education and further education; research and development; social services in the widest sense, including health care, counselling services, nursing and rehabilitation; hotels and catering; and in the transport sector: road haulage and civil aviation. But the new jobs created in these areas will be quite insufficient to absorb

the labour shed by other sectors.

It is often argued that microelectronics will generate many jobs because of the new products it creates: television games, for instance. It is important to distinguish between capital and consumer goods. The manufacture of capital goods — which are intended to be more efficient than the ones they replace — will create comparatively few jobs; but the use of these new capital goods will destroy a great many jobs.

The economic forecasting institutes, accordingly, take a gloomy view. Prognosis expects

there to be three million people looking for work in West Germany in 1985, of whom 1,600,000 will be registered as unemployed. And to think that Chancellor Erhard lost an election because of 700,000 unemployed! And former President Giscard d'Estaing because of 1,700,000! Will Herr Helmut Schmidt be able to survive two million or Mrs Thatcher three million?

Obstructing or slowing the new technology would not be the answer. The industrial nations are spending a great deal of money fighting for leadership in the new sectors. The losers in the race will be

faced with even greater unemployment.

Unemployment is expensive in three kinds of ways. First, it results in unused human resources, people who pay neither taxes nor social security contributions and who to a certain extent cease to be consumers. Second, it gives rise to public expenditure in the form of unemployment benefit and if it persists may result in further social costs — alcohol, drugs and so on. Finally, the trade unions may be forced into a fresh arena of conflict if word gets around that microelectronic automation is being massi-

vely supported by governments.

But are Europe's industrial nations wealthy enough to cope with all this? Would it not be cheaper to organize programmes that tend to increase employment rather than accept unemployment and thereby lose revenue and have to pay out unemployment benefit? Additional costs resulting from such programmes would be easier to bear than those caused by rising unemployment.

Günter Friedrichs, member, executive committee, IG-Metall, and head of union's automation department

More jobless graduates as culture grows

Universities turn out candidates for the dole

"Cultural unemployment" means unemployment not only among those who are categorized as intellectuals, authors, journalists, educators and researchers, but also among artists and all those who contribute to Europe's cultural development.

It is having an impact on all generations, but the young are directly affected and the number of jobless graduates is rising in line with the general raising of cultural standards. Universities are too often seen as factories turning out candidates for the dole queues, while governments have failed to devise efficient careers guidance services.

The age of computers and office automation is going to create a great deal more unemployment in service industries. Computers may create employment in the long term, but a period of adjustment will be necessary and is likely to be lengthy.

Cultural unemployment calls for specific treatment and, in seeking the remedy, there are two important considerations. First, Europe has long been indebted for its lead in technical matters to its outstanding cultural facilities and its universities in particular, but it is losing its technical leadership to the United States and Japan; Europe's energies must be dedicated to the defence of its culture.

Second, the civilization of the future in the industrialized countries will be a leisure civilization. It will not be long, and the European trade unions are agreed on this point, before we see the 35-hour week and longer paid holidays. The job-creating potential of leisure must therefore be exploited.

A new culture must emerge if a European consciousness is to be born. There is already a shared way of life and common attitudes; there are German, Italian, French, English and Flemish cultures, but there is no real European culture because, in a way, the European heritage has been universalized. Such a cultural regeneration, which would enable Europe to regain its technological lead and reduce cultural unemployment, can be achieved only by the foundation of European universities. There are some European pseudo-universities whose only function is to bolster the European technocracy, but there are no real ones — only juxtaposed faculties which, in France for instance, have tried to solve their problems through a multidisciplinary approach. There are faculties which are too remote from practical reality, medieval institutions

grafted on to a technological society which, for all the exceptional quality of their teaching staffs, are ill-equipped to deal with the problems thrown at them by the modern world.

These universities lack size and resources. What do we have in European higher education to match Harvard, Stanford or Columbia? In secondary education, what do we have to compare with the technological training of the Japanese? However, American and Japanese superiority is not just a matter of well-equipped universities, but also of close contact between the universities and industry. In Europe we have no Massachusetts Institute of Technology, the perfect symbol of this contact, which attracts our best academics to teach. It was Paul Valéry who, referring to Europe, spoke of "the strange and detestable divorce between men's culture and the conduct of their affairs".

The teaching staff at this new type of university should be recruited under a fixed-term contract, renewal of which would be dependent upon results, so as to avoid the growth of a new mandarinate. Research and development institutes should be planned as the natural extensions of the universities, which they would finance with earnings from their work and patent rights. Scientific data banks should also feature in the plans. This new type of university would have its own raison d'être, would be attuned to the problems of today's world and, through its research and development institutes, would maintain close working relations with industry.

Pending the establishment of a complete higher education system, the following should be set up without delay: ● A high-level technological university. The European economy is still supported by an exceptionally highly skilled labour force. To maintain its position Europe needs a common policy on technological higher education. France at present has a shortage of 20,000 computer staff, while Britain needs 25,000 and Italy 15,000. How can we train these people if we do not pool our resources? ● An energy university to work on solutions to a problem which governs the prospects for a recovery in European growth. Energy needs new ideas; it is the key to our post-industrial future. ● A biochemical university, for genetic engineers, who are the engineers of the year 2,000. The

United States has gained a lead in this sector which we will not be able to cut back unless we pool our resources, with our researchers working together. ● A university specializing in cancer and cardiovascular diseases, which would form the nucleus of a European medical university, carrying out research on the two great modern scourges which are also the most costly drains on welfare resources.

● A European law university which would coordinate a nation of legislation and harmonization of taxation and social security systems. Europe needs a common body of company law. Legislative disparities in commerce are among the main obstacles to the formation of Community enterprises using the "European company" form. Legal difficulties are stifling European initiative.

Between 1951 and 1961 there were only 1,000 European company agreements within the Community, compared with 2,800 involving partners from third countries. Europe needs common social legislation. European humanism needs to have a rational counterweight. The rationalized world that will be largely conditioned by the development of social legislation.

● A university of the "trialogue". Africa has made a start. The problem needs to be reviewed at the highest level in association with the Opec states which have the resources needed to make progress towards a "universal plan" for the Third World which would have no little influence on the prospects for a European recovery.

The problem of employment in Europe today and by the year 2000 is also the problem of leisure. The rise in living standards since the Second World War has brought radical changes in the pattern of consumer spending. For instance, it is estimated that the average French household spends more than one month's income every year on leisure and the average French worker spends only 230 days of the year at work and has the other 135 to himself.

How can the job-creating potential of leisure be realized? By making it cultural, by building a European culture around four components: the cinema, the theatre and the circus; radio and television; tourism; sport. If these activities are organized on a European scale, it should be possible to solve the difficulty of unemployment among intellectuals, journalists, artists and technicians and

specialists involved in their development. It is illogical that the European film industry, for instance, should not be the main source of material shown on our cinema and television screens. The reason for this is that the modern film industry requires finance, production and distribution which need to be coordinated on a European scale.

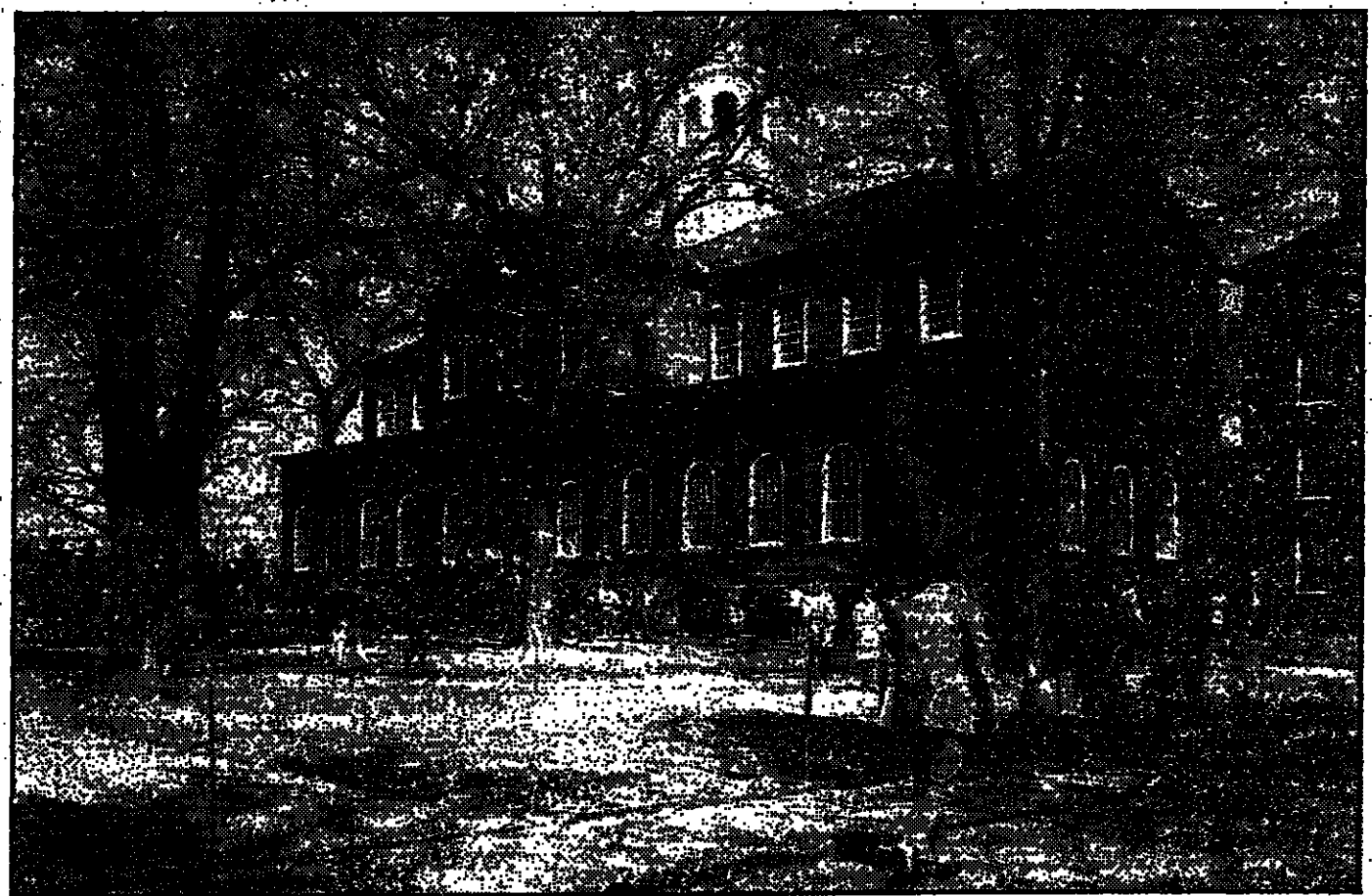
What are we waiting for before we set up a European film board, studios to match the size of those at Hollywood, a European actors' studio to train artists, and a film institute to improve our techniques? What is it that we lack, apart from the necessary imagination and creative determination? We should be looking at the possibilities that the combination of television, cinema and cassette offers for expansion in cultural leisure.

The potential of television as a means of cultural development is bound up with the development and coordination of European television channels. How limited are the possibilities compared with the enormous numbers of channels in the United States or Japan. Consider the number of jobs that could be created through wider expression of cultural leisure. Europe would rediscover its lost creativity. Where are its great painters, its great writers, its great architects? When shall we see another Bauhaus or Impressionist school, another Gaudí or Pirandello?

Europe has an ancient heritage of civilization, and cultural tourism is another potential creator of jobs, especially during the summer when unemployment tends to rise. Tourism is no longer the preserve of a privileged few, but has become a full-scale industry catering for the mass consumer market; pollution in its various forms, unsatisfying production-line work and the rise in educational standards are so many factors which have made for the expansion of tourism. With its classical humanism and ancient civilization, Europe has an incomparable cultural heritage and should develop this increasingly successful form of tourism.

Finally, if the achievements at the Olympic Games of the Americans and East Europeans are anything to go by, sport remains the poor relation in the West European leisure family, for lack of selective training.

Albert Brimo, lecturer in law, economics and social sciences, University of Paris



Harvard University has a world reputation. The author argues that European universities lack size and reputation.

Nagging pain now acute illness

The long slide has now developed into an uncontrollable skid. In the past 15 months unemployment has risen by almost as much as in the previous three years. In the European Community, as a whole it has leapt up by 32 per cent (in terms of the numbers registered) since March 1980. A nagging pain has developed into an acute illness — and the diagnosis contains two surprises.

First, the recent increase has been greater by far in West Germany than in France and only slight in Italy. Over the period, the increases in these three countries have been 38.2 per cent, 17.3 per cent and 6.6 per cent respectively. Only in Britain has the trend become catastrophic, with a jump of 68.1 per cent since last spring.

One cannot but compare these figures with those expressing unemployment as a percentage of the labour force (see table), which seem to tell a different story. According to the most recent harmonized Organization for Economic Cooperation and Development statistics, France (6.3 per cent) and Italy (7.5 per cent) have fared far worse than West Germany (only 3.2 per cent), while Britain remains near the top with 7.2 per cent. In the worst European context the worst positions are held by

Spain (9 per cent) along with Belgium and Ireland, and the best by Austria (1.9 per cent) and Sweden.

West Germany has had the good fortune (and, its industrial leaders will claim, the good sense) largely to have averted structural unemployment through rationalization at a time when it was not yet too painful. On the other hand, it is suffering the full impact of the international recession (which is still continuing in Europe, although it has run its course in the United States) because of its heavy dependence on export industries.

In France and Italy, the high proportion of the population employed in service industries, the large domestic markets and also the stabilizing role of agriculture are factors that help to deaden the impact of economic crises, but both countries are beset by stubbornly persistent underemployment. Britain combines the disadvantages of both situations and the lure to right or left in economic policy over the past 15 years have made it all the more difficult to steer a course with an industrial "vehicle" already carrying a number of obsolete parts.

The other paradox of unemployment in Europe (and also in North America) is that the absolute number of jobs has continued to rise year in year out in most countries until 1979. So, the Western economies' overall capacity for job creation has not been destroyed, but camouflaged by pockets of unemployment that cannot be eliminated directly. There is a growing number of women who are no longer prepared to be held "in reserve" at home (especially in France and Italy) and also an increasing number of school-leavers (and again roughly the same countries are those most affected).

The difficulty experienced in absorbing these categories into the labour force and finding jobs for them is only one aspect (the nagging pain) of the problem. The other is the blow dealt by each cyclical recession — and especially this one — to heavy employment, namely full-

time jobs for men in the traditional industries. In the recent wave of unemployment it has been fathers, rather than their wives or young sons, who have gone under.

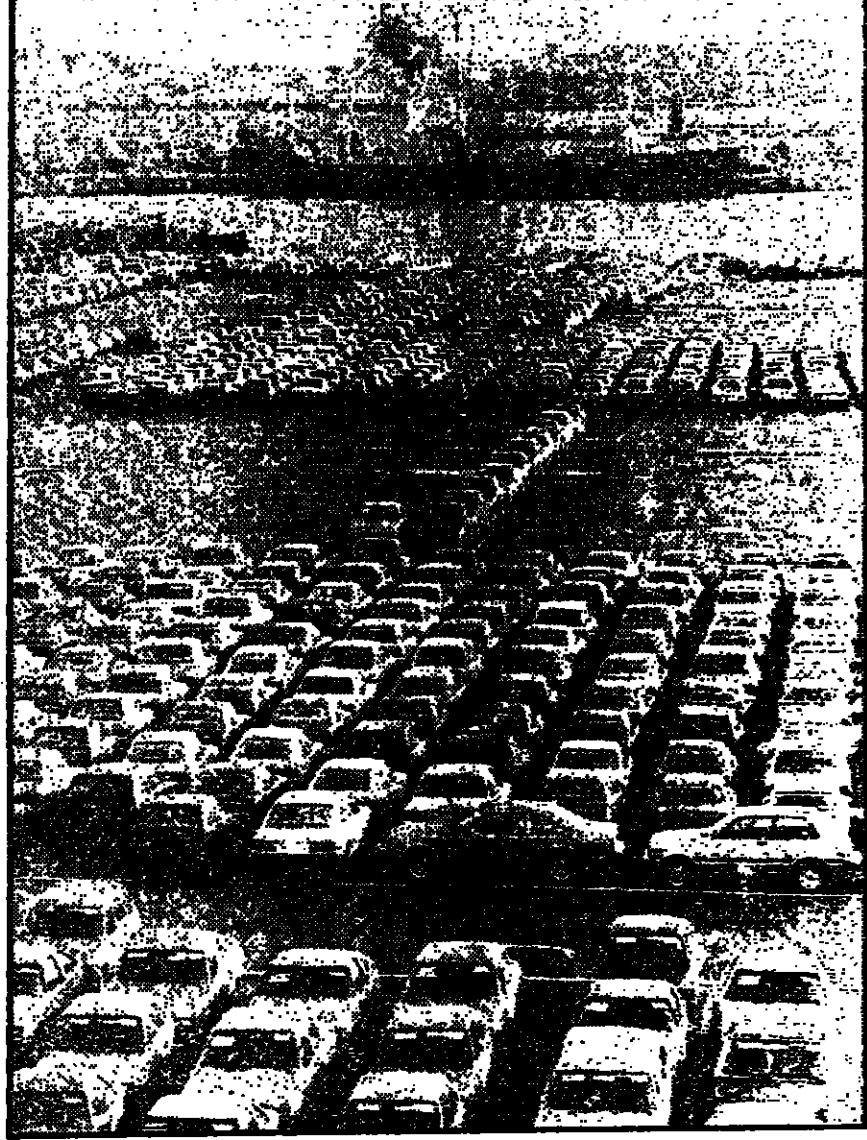
The combined structural and cyclical effect could be no severe this time that the OECD foresees a situation in which unemployment in its member countries could rise to 25 million by the middle of 1982, compared with 11,500,000 at the end of 1980, with rates rising to 4.75 per cent in West Germany, 8 per cent in France, 8.75 per cent in Italy and as much as 12.23 per cent in Britain. The worst is not always inevitable but, for us, in our present position, it is yet to come.

Olivier Loursignol

Unemployment levels, expressed as percentages of the civilian labour force

	1950-59	1960-69	1974	1977	1980
Austria	-	-	2.0	1.8	1.9
West Germany	5.0	0.8	1.6	3.7	3.2
France	1.8	1.5	2.8	4.7	6.3
United Kingdom	1.2	2.0	2.9	6.1	7.2
Italy	7.4	5.1	5.3	5.5	9.0
Spain	-	-	2.8	5.5	9.0

Source: OECD



American policy has not unduly inconvenienced Japan. Left: the stock exchange at work. Right: cars are still manufactured in such numbers that a voluntary agreement to limit exports to the United States has been reached.

Facts and figures

Monetary sector is dominated by American decisions

In his most recent report M Jacques de la Rosière, managing director of the International Monetary Fund, takes a rather pessimistic view of the world economic situation, drawing attention in particular to the much greater durability of trade balance deficits. For their part, the economists from industrialized countries who make up the Group of Thirty have published a communiqué in London expressing alarm at the threat posed by inflation and emphasizing the urgency of the need to increase output and productivity.

Although the situation is difficult for all countries, there is nevertheless a widening gap between Europe, whose position is deteriorating, and the United States and Japan, which are strengthening theirs. International apprehension at the changes in prospect in France and the signs of vacillation observed in West Germany could make the difference even greater if those countries do not take quick action to allay fears. The divergent trend is particularly worrying in that during the period ahead a country's competitiveness will depend on the strength of its position and its international credibility as much as, if not even more than, on the efforts that it makes at home.

The truth of this is clearly illustrated by present developments in the monetary sector, which is dominated by American decisions. As has been explained by Mr Beryl Sprinkel, under-secretary at the Treasury Department, who seems to have gained acceptance of his monetarist ideas among President Reagan's team, the United States intends to impose its policy of monetary control whatever its effects on the dollar, which is being allowed to float freely, and consequently on other countries.

Replying to European objections put to him during a recent interview in Paris, he pointed out that it was the aim of the United States also to bring down interest rates — once inflation had been brought under control. This policy is not causing any problems in the United States itself, not for the time being at least, since the growth rate is holding firm and the March trade figures showed the benefits of an aggressive export drive, with a greatly reduced deficit.

Nor does Japan seem to have been unduly inconvenienced by the American policy to date, with the capital that it attracts on the strength of its international prestige, it is still able to maintain interest rates that are exceptionally low relative to other countries. Witness the striking example of Hitachi, which has succeeded in raising long-term capital at 5.75 per cent by offering debentures convertible into excellent shares.

A further example of the contrast between Europe on the one hand and the United States and Japan on the other is provided by developments in trade, and the motor industry in particular, where the Americans and Japanese have now signed an agreement under which the Japanese will voluntarily limit their exports of cars to the United States and the two countries are even going to negotiate over the enormous investments required to build the car of tomorrow and market it worldwide. This agreement is intended to give American manufacturers the opportunity to redevelop without being driven to the wall by Japanese competition.

For all the appeals addressed to Tokyo by Mrs Simone Veil, President of the European Parliament, with her reference to "the destruction of the European motor" industry, which would add six million to the present figure of eight million unemployed, Europe has been unsuccessful in its efforts to obtain similar arrangements, a fact which was left in no doubt after the failure of the discussions, between

	quality of growth			maintenance of growth		
	prices	unemployment	rate of growth	productive capacity	foreign trade	vulnerability to external factors
GERMANY	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
FRANCE	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
ITALY	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
BRITAIN	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●

United States: business looking healthier

Growth rate: Far from showing signs of weakening, business activity is looking healthier. Industry orders were up by 1.3 per cent in March and industrial output by 0.4 per cent in April. On the other hand 10 consecutive months of increasing retail sales came to an end in April with a fall of 1 per cent. Prices: On the basis of February, March and April the annual rate of increase in wholesale prices was stable at just over 12 per cent, while that for retail prices was 8.3 per cent, in the same period.

Unemployment: The unemployment rate remained steady during February, March and April at 7.3 per cent of the working population, but the total number in employment continues to rise (97,700,000 in January, 99 million in April).

Foreign trade: Large imports have been made into the trade deficit. From a massive \$5,440m in January, it came down to \$3,150m in February and only \$450m in March, when oil imports were cut by nearly 10 per cent.

Monetary and financial influence: Interest rates have been climbing recently, with the discount rate up from 13 to 14 per cent and prime rates from 17.5 to 20 per cent. Demand for credit nevertheless remains strong.

Japan: prices rise after fall of yen. Growth rate: Domestic demand, which had been declining, should begin to rise again in the wake of wage awards. The fall in monthly car sales, almost 10 per cent in February, compared with February 1980, was down 2.3 per cent in March.

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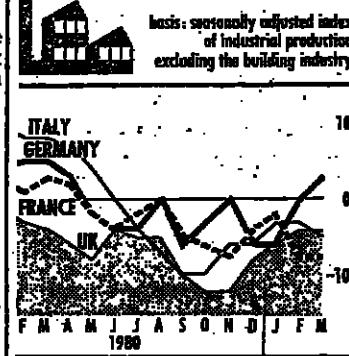
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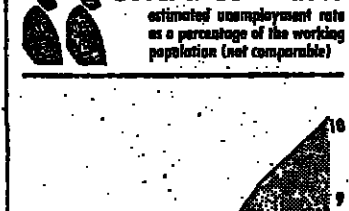
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INDUSTRIAL GROWTH



On the basis of a calculation comparing January, February and March with the previous three months, industrial output was up again in West Germany (+3 per cent), but continued to decline in Britain (-4 per cent) and even more markedly in Italy (-5 per cent) and France (-8 per cent).

UNEMPLOYMENT



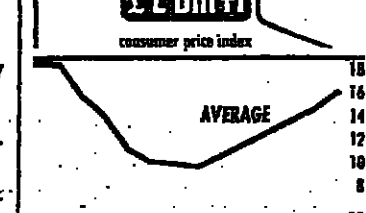
Between March and April the average inflation rate for the four European countries rose from 14.3 to 16.2 per cent. This was because of Britain, where the rate went from 12.7 per cent to 23 per cent as a result of tax increases. There was little change in France (13 per cent), and in Germany it dropped back from 9.7 per cent to 8.7 per cent and in Italy from 22 per cent to 20 per cent. These rates are based on the past three months.

On the year-on-year reckoning they work out at 5.6 per cent for West Germany, 12 per cent for Britain, 12.4 per cent for France and 19.1 per cent for Italy.

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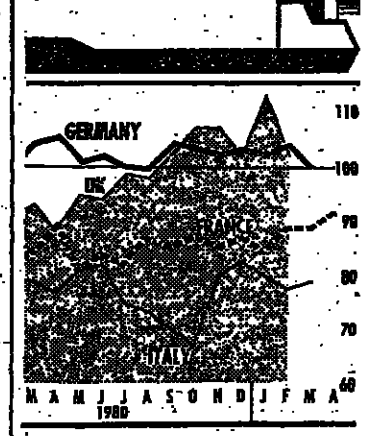
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'Stop folly of trying to isolate Egypt'

TAHSEEN BASHEER was Egypt's representative to the Arab League until it was moved from Cairo after the Camp David agreement. He served previously as assistant to the Secretary General of the League, as President Sadat's press counsellor, and as Egypt's official spokesman. Last year Ambassador Basheer was a visiting scholar at Harvard University. Now he spends most of his time lecturing and participating in seminars on Middle Eastern affairs. He is one of his country's most articulate representatives, although he has also been known to express personal views that have not always endeared him to his government. Mohammed Anis Salem, an Egyptian writer on middle East affairs, interviewed him in London recently.



Some critics see that the United States is emphasizing a military approach to the problems of the Middle East, trying to force a Pax Americana without introducing elements of stability through a more energetic push for a solution of the Arab-Israeli question or "hand-off" agreement with the Russians. How do you feel about this?

I do not know what strategic doctrine the new Administration of President Reagan will opt for. We are still in the early days and the Reagan Administration, while it has certain priorities, is still trying to translate the priorities into a policy. That is number one.

Second, the Middle East has been left as an undermined area between the two super powers and that allowed one power or another, from time to time to play a unilateral role. After the 1972 Nixon-Brezhnev agreement on "mutual relaxation" in the Middle East we in Egypt objected to the two superpowers establishing a détente that was not based on the solution of the Middle East problem. That was the basis for President Sadat's decision to end the Soviet military presence in Egypt.

All right, so the question is not a policy of hands off by the superpowers but how to make them cooperate in a pattern which does not allow either of them a unilateral occupation of any part of the Middle East. Then it goes even further to a positive role of how the power and responsibility of the super powers, together with the permanent members of the Security Council, should encourage, underwrite and reward the peace process.

How do you see Egyptian-Soviet relations at this stage?

The Soviet Union perceives that the Soviet Union should play a role in the Middle East but not a role of occupation (as in Afghanistan). It should play an active role in reaching mutually agreed-upon solutions by the parties (to the Arab-Israeli dispute) or a guarantee of what is reached by these parties. The Russians have reacted negatively to the way the peace process has been developed, without coming up with a way to solve the problem. They help and understate but they have not, over the past 10 years or more, produced a solution that can end the (Israeli) occupation, and of that we are critical.

But once the Soviet Union moves either to guarantee the way the peace process is developing, or to participate, enlarge and underwrite it, there will be a responsive echo from Egypt. When the Soviet Union, on the other hand, tries to tamper or complicate the process of peace, particularly the withdrawal of Israeli forces (from Sinai), then we take a very strong stand against that. We are against the Soviet policy of introducing a new, very dangerous variable to African countries — the Cuban dimension — or the Russian attempt to turn the whole of Africa into an area of confrontation.

Recently, Egyptian diplomacy has been emphasizing the European role, particularly in President Sadat's speech to the European Parliament. Is this a search, if not for a way out of the impasse reached at Camp David, then perhaps for some supplementary support for the process?

Since 1973 the Arabs have called on the Europeans to realize that the traditional historical relations between the Arab world and Europe have to enter a new phase, that we are in the post-independence era, where European colonialism has come to an end. Europe and the Middle East are linked geographically and historically; we share the Mediterranean and have traded and exchanged interests and ideas since Greco-Roman times. In the eighteenth and nineteenth century these

links led to an imbalanced relationship because of colonialism, but now we want a new dynamization. Today the Arab market is very important to Western Europe; oil is crucial to the stability of the Western economy; we need the technology; we need the kind of projects which are smaller in scale than say, what the Americans are interested in, and as such we have a real interest both ways. So, although the links with Europe are close culturally and economically, they have not been active politically.

Now in the Euro-Arab dialogue, which has so far ended in expressions of good will but very little in real action, President Sadat has been trying to activate the governments and the people of the West. That is why he addressed the European Parliament, and the response was so positive.

The European Parliament passed a resolution advocating that the Euro-Arab dialogue includes Egypt, which is saying to some of the rejectionist Arab states "Stop this folly of trying to isolate Egypt because it cannot be isolated." So we are trying to forge a structure of close relationships with Europe. European countries have been freer than the United States in dealing with the Palestinian people and the PLO.

Ministers and under-secretaries in Western Europe have met with Palestinians, with PLO leaders, and as such, in a period where we are setting the stage for the Palestinian people to exercise gradually their self-determination, the European role is very important. It can ease some of the difficult problems, bridge over them and help the American role to progress towards a more global process.

Third, not only the United States alone, but also the permanent members of the Security Council, should play a role in guaranteeing peace, offering observers, peace-keeping forces and underlining the peace process.

There have been Arab critiques of the European performance. Critics are easy to come by. You can always posit an ideal situation where you want more from everybody and say, well, they have not lived up to that, they have not taken more than they have taken real steps. More important than that, however, is to make the ground more inviting for roles that the parties feel impelled to undertake from within, rather than under pressure or critiques.

There is a feeling that Arab scholars have increased since Camp David. There is more violence in the area, there is an inability to pursue a consistent Arab policy. How do you evaluate this process of searching for an alternative without Egypt?

I do not think that the Arab states are trying to achieve an alternative without Egypt. There are, perhaps, Arab leaders, who would like to be the sole leaders of the Arab world, but all the attempts to have one man overshadowing the Arab world have failed and are failing.

I think the majority of the Arab world, no matter what is said in public, are tired of a system that has not worked. That is why we found in the past 10 years individual Arab governments adopting more independent policies from the Arab consensus. What is needed is a more frank realization of what is being done by everybody, and that would allow for a new general agreement where the gap between what is said and reality is not so vast.

I do not think you can have an Arab system without Egypt. This is universally accepted in the Arab world, and universally accepted in Egypt as well. Some Arabs may differ with Egyptian initiatives but work with them on different levels.

How do you see the reintroduction of the Egyptian factor into the Arab world?

You see, I do not think that there is a need for Egyptian reintroduction, because that assumes that Egypt had an exit. The only thing needed is the change in the role of Egypt from an indirect role with the Arab governments into a more direct one. We need to break the emotional taboo, and now that peace is a possibility within our grasp the question is how our Arab brothers can come to address themselves to add to the process.

We are encouraging other Arab countries to stop their escape into verbalism by saying that that is self-deceit, that they must come to address reality, that there is no other option. But I think that peace in the Middle East is here to stay; it is the strongest of all forces, the equilibrium, or the mainstream, which any deviation will have to come back to.

There is a view that a Labour victory in the forthcoming Israeli elections would result in a more flexible position on the Palestinian issue. How do you see the possibilities?

The effective question is not what the crystal ball shows but what factors can galvanize those in Israel who seek peace; how to encourage the trend that can produce peace from within on each side of the peace process. Peace means the creation of a constituency for peace, among the Israelis, among the Palestinians. We are saying that we encourage the mutual recognition of both the Palestinian and the Israelis; this has been expressed very strongly.

Second, we want the role by Europe to ease the problem, so any Israeli government, whether it is Likud or Labour, cannot escape from facing the need to come to an effective peace process. I think changes in Israel should be followed and invested in to encourage this and discourage the policy of avoiding the Palestinians.

You mentioned the peace constituency in Israel. Do you think that there is an effort of growth of the peace movement in Israel, because there is a growth of other movements in the opposite direction, Gush Emunim for example?

Well, Gush Emunim started before the peace process. It is a continuation of an old policy that existed in Israel, and it is one of the impulses that will remain there. But the peace process definitely produced a Peace Now movement. What is important in this movement is not its size but its indicator. That those who are in the age of fighting, across the ideological and political lines of affiliation, have opted to insist on peace and peace now.

Moreover, that Israelis are willing to accept a "non-occupation" of the Palestinians, provided the Palestinians will make it clear that they would recognize Israel. And that the Israelis and Palestinians should exchange security guarantees. If that Israeli indicator could be enlarged then I see it as a healthy, positive, addition to the Palestinian position, on their own parallel, develop a policy that encourages this, then I see a growth of the peace constituency.

How can the Palestinians contribute to this process?

I will not advocate to the Palestinians what to do, it is only the Palestinians who can spell out what they want. All that I can say is that for the Palestinians to achieve maximum gain, they have to take the responsibility in their hands in a peaceful way, and make that open, explicit and consistent, and try to freeze the war option, which is detrimental to their interests, and adopt a peace strategy, clearly and overtly, to achieve their aims.

Egypt puts the emphasis on the Palestinian people as the cardinal element in this process; it puts the emphasis on no one representing the Palestinians but the Palestinians. But, realistically, we want it in a political framework that is accepted by the Israelis and by the world and, if anything, the question now is how to shift gear, to move from this, talk about it, argue about it, to its implementation. Also, in a solution achieved under any auspices, a period of grace will be necessary before full self-determination is reached.

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THE CHALLENGE IS TO MR FOOT

Mr Benn has made it clear that he intends to contest the doctrine of collective responsibility at tomorrow's meeting of the Shadow Cabinet. In doing so he is presenting a challenge to all his colleagues, and to Mr Foot in particular. Mr Benn is saying in effect that although he will remain a member of the Shadow Cabinet he is not prepared to accept the customary disciplines of membership; and he is doing this against the background of a campaign for the deputy leadership in which he is seeking to overturn the present balance of power and processes of decision-making within the party. Both directly and indirectly he is challenging Mr Foot's authority. So it is natural to ask what Mr Foot intends to do about it.

The danger of doing nothing is that many people will then conclude that this is a sign of feeble leadership; and Mr Foot's leadership has not so far been of such a quality that he can afford to allow these signs to multiply. But is there any effective action that he could take against Mr Benn? He cannot simply dismiss Mr Benn if he declines to give the required undertaking, because the leader of the party does not appoint the Shadow Cabinet. Mr Benn is there by right of election, even if it is election at one remove: he was the runner-up in last December's election and then took the vacancy left by Mr Rodgers the following month. The leader of the party does distribute portfolios among members of the Shadow Cabinet; but Mr Foot cannot take away Mr Benn's portfolio because he has, prob-

ably unwisely, refrained from giving him one. Mr Foot cannot humiliate Mr Benn by insisting that he should have an insignificant responsibility, because Mr Rodgers has set the precedent for refusing a proffered portfolio while remaining in the Shadow Cabinet.

Mr Foot might ask the parliamentary party to remove Mr Benn from the Shadow Cabinet, on the grounds that Labour MPs have given Labour MPs can take away. But even if Mr Foot was able to overcome the procedural obstacles to such a course, there would be two very substantial political objections. He could not be sure that the parliamentary party would act on his request. There would be a genuine reluctance to remove a person who had held his term from a position to which he had been elected. There would also be formidable pressure from the constituencies against any such action. One of the features of Labour politics has become the increasing extent to which constituency parties are able to influence their MPs. Indeed, without such influence Mr Foot would not himself have been elected leader of the party, and it is certain that the constituency activists would fight at least as hard to prevent Mr Benn being sacrificed.

The second objection to this course of action is that if Mr Benn were sacrificed he would then acquire the status of a martyr in the constituencies and also, to a considerable extent, in the trade unions. In other words, even if it were possible

to expel him from the parliamentary party, this could be done only at the cost of increasing his chances of winning the deputy leadership. That is the critical battle. If Mr Benn becomes deputy leader of the party Mr Foot's own position will have been fatally undermined. There would be no better chance of Mr Benn playing as a loyal member of the team as deputy leader than as an ordinary member of the Shadow Cabinet. His purpose is to change the balance of power within the party, and that cannot be done without challenging Mr Foot's authority. So Mr Foot's principal objective must be to prevent Mr Benn becoming deputy leader. But how can he further that objective? He has earlier made it clear that he would have preferred Mr Benn not to stand. The critical question for him is whether he should throw the authority of the leadership into the campaign now that there are three candidates in the field.

This is a delicate issue. Mr Foot might hesitate to undermine Mr Silkin's prospects by backing Mr Healey, because it would clearly be better for him to have Mr Silkin rather than Mr Benn as his deputy, if that should prove to be the choice, and because it might help to stop Mr Benn if a number of votes went to Mr Silkin on the first ballot. But Mr Foot must know that a Foot-Healey team would carry greater conviction in the country. Whatever Mr Foot can do to bring about the reelection of Mr Healey must be in his own and the party's best interests.

TIME TO SAY GOODBYE, BUGGINS

Mr Denis Healey is reputed to have said that to reorganize the Ministry of Defence Review was like trying to carry out an appendix operation on a man while he was lifting a grand piano. Last week Mrs Thatcher went so far as to make an incision. With one bold stroke she abolished the Parliamentary Under-Secretaries — vestigial relics of the services' power at Westminster — and substituted for them a political team with purely functional responsibilities. Whatever her motives, she has moved in the right direction and should now be encouraged to finish the job.

In theory the Ministry of Defence should work very well. It took on its present shape in April 1964, absorbing the Admiralty, War Office and Air Ministry under one Secretary of State. Its design resembles a pyramid, if an imperfect one, with the Defence Secretary at the apex, supported by his permanent under-secretary, the Chief of Defence Staff and the three chiefs of the services. A diagram can make it seem neat enough.

In practice the existence of separate service hierarchies makes for duplication of staff and for a divided approach to what in the end is a common problem — that of maintaining the country's security largely through Nato. This is not to argue for a single service for land, sea and air, divided on functional lines — like the Canadian experiment which was not a conspicuous success. It is to argue that the separate services should come together

in the ministry rather lower down the scale than at present. The services take it in turns to appoint the CDS, a position which has been under constant criticism. As the services always try to bring forward their best man to fill the CDS slot, the ability of the CDS *per se* is not usually in question. But he does not often appear able to forget his own service background and restrain the tribal instincts of the other chiefs or the Chiefs of Staffs Committee. There is a flavour of "Buggins' turn" about the Chief of Defence Staff, which is bound to arise under the present system. The CDS should now be appointed by the Defence Secretary on merit, without having to lead his own service first. He should also have the power to appoint officers above a certain rank — three-star rank for instance or even two-star if feasible. At present he has little or no power of patronage; his fellow chiefs resist all this.

Moves have been made in recent years to breathe new life into the Defence Council, the ministry's topmost committee. Any fundamental change in the functions of the committee or the three service boards would need parliamentary legislation — although this should not present a problem. What the ministry really needs however is a Secretary of State backed up by an equally strong Prime Minister, and Chief of Defence Staff with reinforced power to make the 1964 unification work in practice as well as it looks on paper. Mrs Thatcher and Mr. Norton have the chance before them.

HOPE OF BETTER THINGS IN BOLIVIA

Few tears will be shed over the announcement by President Garcia Meza of Bolivia that he will hand over power in August. General Garcia heads one of the least attractive regimes in South America, which came to power in a military coup d'état last July, at a time when Bolivia was returning to a democratic system, and is best known for its direct involvement in drug trafficking. Ever since the armed forces seized power there have been dissensions within their ranks, and there have been two attempted coups within the past month. The reasons are partly a matter of personal rivalries, partly disgust at the bad image given Bolivia by the regime. Now it seems that General Garcia's critics within the armed forces have finally become strong enough to force him out. A successor is to be chosen by the armed forces by July 17, the anniversary of last year's coup, and he will take over on August 6.

This is not likely to mean a return to the situation as it was before the coup. Then there had been elections, in which Señor Hernán Siles Zuazo,

leader of People's Democratic Unity (UDP), left-wing group, had won some 38 per cent of the vote; and the expectation was that he would be elected President by Congress. It was at least partly because of his leftist views that the armed forces moved in, and they are hardly likely to accept him now. But there are younger officers, known as the "institutions" who believe that the armed forces should leave the business of government to the civilians, and they have been very much strengthened by the manifest failure of the Garcia Meza regime. One of them is General Humberto Cayafo, who has just been appointed commander-in-chief of the Army. If this group can gain control, and perhaps get General Cayafo chosen as General Garcia's successor, there is a good chance of an opening to the civilians. One idea is a joint civilian-military government.

Bolivia is a poor country, and one which is extraordinarily prone to military coups, even by Latin American standards. In the days of the Carter Administration, the Americans did what

they could to encourage a return to democracy. They saw the Andean Pact, of which Bolivia is a member, along with Venezuela, Colombia, Ecuador and Peru, as a democratic counterweight to the military regimes further south. But these plans were frustrated by last year's coup, and diplomatic relations were never normalized with the Garcia Meza regime.

When President Reagan took office, the regime hoped that things would change. But in spite of the new Administration's readiness to improve relations with most of Latin America's military regimes, whatever their human rights violations, it drew the line at Bolivia because of the drug traffic. Bolivia is one of the main producers of coca, from which cocaine is produced, and a great deal of publicity has been given in the United States to the involvement in the traffic of leading members of the Bolivian armed forces. Washington should now keep up its pressure on La Paz and insist, not just on a curb on the flow of coca, but a return to democratic government.

Future of marriage

From Dr J. R. Allan
Sir, Dr Dominian (May 22) is probably right in suggesting that the present crisis in marriage is a symptom "of an evolution towards a different type of relationship". However, the changes in marriage are themselves secondary to the more general changes in the role, status and expectations of women. On this view it is foreseeable that the more society moves towards a position of real equality between men and women the higher will go the divorce rate.

In former years there were effective constraints on divorce. These were partly legal in the form of a strictly fault-based divorce law, and partly social, in that a serious stigma was associated with divorce and "living in sin". But for women the constraints were mostly economic — the alternative to enduring an unhappy marriage was abject poverty. Of all these deterrents only the economic survive to any significant extent in true economic equality ever becomes a reality, and that would require a revolution in present-day attitudes, it is at least

debatable whether the result would be an even higher divorce rate or, perhaps more likely, a dramatic eclipse for marriage as we know it, for the institution itself and its former stability have been rooted in women's dependent status.

Yours sincerely,
J. R. ALLAN,
The Spinney,
Parkside,
Upper Hale,
Farnham,
Surrey.
May 22.

Hunger strikers and the Church

From the Auxiliary Bishop of Armagh
Sir, In response to your editorial, "Hunger strikers and the Church" (May 27), may I make the following points:

1. In commenting on Cardinal O Fiach's statement of May 22 you ignore the fact that he also appealed to the hunger strikers, and for the fifth time, to bring their fast to an end. He said their "all-or-nothing" demands, if sustained, would lead to the death of yet another hunger striker. (Tragically, this happened.)

2. Neither is there any reference to the fears expressed by the Cardinal and shared by very many, about the erosion of the middle ground which the Maze crisis is bringing about in Northern Ireland. The Cardinal was expressing the very deep anxiety of many parents and others concerned with the welfare of our young people, because the H-block impasse is providing the IRA with its greatest influx of recruits since the early seventies. It is in this sense that his remark about "the wrath of the whole nationalist community", a phrase intended to be descriptive, not judgmental, is to be understood.

Cardinal O Fiach certainly does not hold that "the hunger strikes can be blamed on the British Government's refusal to compromise". That is manifestly not the case. But he shares with very many people holding positions of responsibility in the community the belief that the prison crisis could have been solved over the last two years without compromise on principle if only the IRA had been more realistic in its demands for the framework of reforms applying to all prisoners in Northern Ireland (in fact, prisoners in Armagh women's jail have had the right to wear their own clothes for the past decade).

The Cardinal has also made clear to the prisoners their grave responsibility to bring to an end a crisis so seriously affecting the whole community.

19 and for all who have died through violence. He ended the statement criticised in your leader with these words:

South Armagh must never again witness the carnage of this week, which left immeasurable grief and sadness in five English homes. This revolting deed shames us all. There are broken hearts, too, in many Protestant homes in our local community as well as Catholic ones. We must recognize the grief in the faces of these fellow-Christians, men, women and children, and strive to heal their wounds in a spirit of mutual acceptance, forgiveness and love.

Here in Drogheda the Pope loudly and strongly proclaimed peace and denounced the use of political violence and we must preach his message without reservation. But he also appealed with "the same urgency and intensity" to those who bear political responsibility for the affairs of Ireland to "show that there is a peaceful, political way to justice; to show that peace achieves the work of justice and violence does not."

Finally, I perceive a very real danger of matters becoming so polarised in the welter of propaganda and counter-propaganda coming from both sides in the prison dispute that rational discussion may give way to the kind of "us and them" attitude against those who pose uncomfortable questions. Indeed, this has already happened in some of the media.

In such an atmosphere, I think it would be useful to remind your readers that the peace in Armagh, London or wherever may hold differing views regarding the tragic events now afflicting Northern Ireland, this is no reason why their integrity should be impugned or their good faith called into question.

Yours faithfully,
JAMES LENNON,
St Peter's,
Drogheda, County Louth.
May 28.

From Professor Cornelius O'Leary
Sir, As a Catholic living in Northern Ireland I wish to express support for the temperate letter of the Bishop of Hexham and Newcastle to the *Times* (May 27).

Contrary to the views of Lord Rawlinson and Mrs Shirley Williams, the Catholic clergy have not expressed "an admiration of violence" by allowing religious services in churches for desert hunger strikers. The Catholic Church provides the same requiem for a criminal as for a contemplative monk. All are deemed to stand in need of God's mercy. As far as I am aware, paratitular and political flags, uniforms, arms or other symbols have never been allowed within the precincts of a church.

The bishop is also right to point out that the clergy who have conducted such funerals have used the pastoral opportunities provided to counsel their congregations according to true Christian principles. Only yesterday, the priest who officiated at the funeral of a dead hunger striker expressed the fervent prayer that no more families would suffer on account of that death.

Were the Church to refuse to rise to all who had been associated with the IRA, not only would it be repudiating its mission to invoke the divine mercy for their souls, but it would also lose yet another opportunity for showing other Catholics the way away from violence and return to sane Christian standards.

It is all too easy to be self-righteous and selectively indignant. The difficult times the Catholic Church is living in Northern Ireland are continually trying to combat the evil influence of those who have already refused to listen to the plea made by the Pope himself at Drogheda in September 1979.

Yours sincerely,
CORNELIUS O'LEARY,
3 Belgrave Avenue,
Belfast 9.

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Belfast 9.

From Sir Arthur Bryant, CH
Sir, May a Collins author write from personal experience of an asset enjoyed by this great independent publishing house which is today making a subject of a book on the subject of the enthusiasm, devotion and loyalty of its employees, evoked by the leadership of its present Chairman, Ian Chapman who, with the Vice-Chairman, David Nickson, took over its management during time of financial recession and, by winning the unanimous support of its members at every level and in all its branches, has pulled the company out of temporary depression and now set it far on the road to full and triumphant recovery. It could be fatal to its prospects if it were to lose that sense of momentum.

It was the same quality of leadership which distinguished the firm for so many years under the late Sir William Collins. It was his enthusiasm, energy and zest and, above all, his infectious pride in his famous family business, and the books it published, which made it the most successful publishing house of its day. This pride and confidence in its authors, if Billy Collins believed in it, was there was no limit to the trouble he set far on the road to full and triumphant recovery. It could be fatal to its prospects if it were to lose that sense of momentum.

Yours faithfully,
ARTHUR BRYANT,
Myles Place,
The Clove,
Salisbury.
May 28.

From Dr Jonathan Bradshaw
Sir, Surely the Government should extend entitlement to the long-term rate of supplementary benefit to the unemployed. Britain has one of the highest rates of unemployment in the industrial world and now David Pichaud ("The harsh reality of life on the dole", *The Times* 27) has shown that the level of living provided in unemployment is one of the meagre. What possible justification is there for excluding the long-term unemployed from the long-term rate of benefit when every other type of long-term claimant is entitled to it?

The reform would cost about £10m and would improve the incomes of single people who have been unemployed for a year or more by £5.85 per week. It could be paid for by raising the earnings limit on national insurance contributions.

It would be welcomed as evidence that the Government do care about unemployment as well as being a practical expression of national solidarity with the unemployed so vividly described in Louis Heren's articles on the People's March for Jobs.

Yours sincerely,
JONATHAN BRADSHAW,
Department of Social Administration and Social Work,
Social Policy Research Unit,
University of York,
Heslington,
York.
May 27.

From Mr A. J. Lucking
Sir, Mrs Eame Walker (May 21) suggests that the Air Transport Users' Committee has failed to do its duty in resisting airline applications to increase fares. As one of the former members who appeared as an objector at most major hearings held by the Civil Aviation Authority, and now watches the continuing hard work of the present team, I can assure her that every effort has been and is being made.

The disappointment for all of us is that the authority has never been persuaded to gear the approved fares on the domestic trunk routes to the costs of the statutory "efficient operator", has accepted the present lamentable economic performance of British Airways, and has failed to stimulate price competitive services generally, after their success on the Aberdeen and Belfast routes.

Rightly or wrongly, the Government has rescued British Airways from a cash crisis caused largely by over-staffing and over-generous salaries. It should have insisted also that this situation be corrected now, and not by 1979-80, as management plan, low-cost air communications are a vital national need. Valuable executives should be on the job and not on the train.

Yours faithfully,
A. J. LUCKING,
Flat 20,
17 Broad Court,
Bow-Street, WC2.

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Yours faithfully,
A. J. LUCKING,
Flat 20,
17 Broad Court,
Bow-Street, WC2.

Holding Sutcliffe responsible

From Professor John Gunn
Sir, You may well be correct in describing (leading article, May 23) the Sutcliffe trial as "a public catharsis, an exorcism". However, those of us who deal with these issues regularly and at a more commonplace level hope that justice has also been done. In our courts justice is administered according to well established rules and principles. Important cases sometimes produce changes in the rules and that seems to have been the case here.

I have followed the case in your newspaper and as I understand it Mr Sutcliffe has been diagnosed by the best medical opinion available as schizophrenic. He could well have expected that such severe mental illness would have rendered him either insane under the M'Naghten Rules, or of diminished responsibility.

His defence decided not to run an insanity plea. Such a plea is difficult to sustain as it turns on whether the accused knew what he was doing and knew whether his acts were wrong. Furthermore a successful insanity defence gives the judge no option but to send the accused to hospital; however the plea does have the virtue that it is heard in front of a jury.

Personally, I would have thought it was worth a try, but the defence, no doubt for good reason, took the diminished responsibility road which has been available since 1957. If this had been successful it would not, like the insanity verdict, have done much to clear the air or responsibility for his actions; it would have instead said that he was partly to blame and partly sick and, as you point out, it would have left full sentencing discretion open to the judge.

Since the Matheson case in 1958, when a sexual psychopath was convicted of murder rather than manslaughter against the medical evidence, courts have usually accepted diminished responsibility pleas without a trial unless, as often happens in borderline cases, there is

a contrary medical view. In the latter event the jury adjudicates between the conflicting medical opinions.

The 1957 Homicide Act requires the defence to show that the accused is "suffering from such abnormality of mind... as substantially impaired his mental responsibility". In 1960 the Lord Chief Justice defined abnormality of mind as "a state of mind so different from that of ordinary human beings that it would seem 'man would term it abnormal'". Within this definition courts have included severe disturbances of personality, those who kill for sexual pleasure, and borderline psychotics, as well as the obviously mentally ill. You say that it is nonsense to ask whether Sutcliffe was sane and call it an abuse of language to apply the term "normal" to him. Yet clearly that is what the jury have done; they have said his actions were not especially different from those of ordinary human beings. Is it not possible that their understandable feelings of abhorrence influenced their verdict? Does society really regard Mr Sutcliffe as "normal" in this legal sense? Is it really appropriate to have set-piece verbal battles between lawyer and doctors in an attempt to discredit medical opinion, rather than present differing medical viewpoints to the jury? Will this case reverse the previous definitions of abnormality? Will the mentally ill who fall foul of the law lose confidence in the way their cases are to be handled?

Now that the catharsis is finished I hope that Mr Sutcliffe will be public-spirited enough to lodge an appeal so that some of these questions can be settled in a higher court. A tall order, but one which is important for future medico-legal practice.

Yours sincerely,
JOHN GUNN,
Professor of Forensic Psychiatry,
Institute of Psychiatry,
Crespien Park,
Denmark Hill, SE5.
May 26.

Law on contempt

From Mr V. E. Hartley Booth
Sir, Whatever the merits of the argument for reforming the law of contempt it can hardly be justifiable to try to support it with inaccurate statements. In your editorial of May 21 there are two examples.

First, you say that "As it (ie the law of contempt) is, in fact, no parallel in the jurisprudence of other democracies..." On the contrary, the law of contempt is closely paralleled throughout most of the common law world, and especially in the United States. Are you saying that there are no other democracies in the Commonwealth?

Secondly, you say of an amendment tabled to clause 7 of the Contempt of Court Bill that "it would extend contempt to employment tribunals..." (my emphasis). In fact the Employment Appeal Tribunal is, by its parent statute, a superior court of record on a par

with, and with the same powers as, the High Court. This means that it is wrong to speak of extending the law of contempt to the tribunal. It already applies; and because the EAT is a superior court it would be quite inappropriate, as well as unnecessary, for clause 7 to be made to cover it.

May I add that it is difficult to understand your general argument on this point. Most of the tribunals you mention have a judicial jurisdiction in the fullest sense. The fact that that jurisdiction has been assigned to a specialist tribunal instead of, say, a county court can hardly be relevant as far as the law of contempt is concerned. What logic is there in protecting the Court of Justice from pollution in one forum but not in another?

Yours faithfully,
V. E. HARTLEY BOOTH,
5 King's Bench Walk,
Temple, EC4.
May 27.

Art of publishing

From Sir Arthur Bryant, CH
Sir, May a Collins author write from personal experience of an asset enjoyed by this great independent publishing house which is today making a subject of a book on the subject of the enthusiasm, devotion and loyalty of its employees, evoked by the leadership of its present Chairman, Ian Chapman who, with the Vice-Chairman, David Nickson, took over its management during time of financial recession and, by winning the unanimous support of its members at every level and in all its branches, has pulled the company out of temporary depression and now set it far on the road to full and triumphant recovery. It could be fatal to its prospects if it were to lose that sense of momentum.

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Yours faithfully,
ARTHUR BRYANT,
Myles Place,
The Clove,
Salisbury.
May 28.

The Archimedes angle

From Mr J. E. T. Brown
Sir, Mr Sakas's successful experiment with Archimedes's steam cannon (report, May 15) was most interesting. But there was no need for using a journalist to be sceptical: it has long been known that the Greeks had the theoretical knowledge of steam power sufficient to bring about a technological revolution.

That, however, is the point: was it only theoretical knowledge? Hero of Alexandria wrote a textbook of engineering experiments including, *inter alia*, water and steam organs, models of singing birds, Heracles shooting a dragon, a sphere made to revolve by steam power: has anybody ever tried to put these into practice? Some years ago I attempted to construct a model of his self-opening temple doors: according to the text book the doors opened when a fire was lit on the outside and closed when the fire was put out. In spite of slightly cheating by getting a plumber to make me a copper ball with soldered pipes, I was only moderately successful: the thing worked (just) one way but not the other.

So I ask again: was it only theory, or were his experiments practicable? And following from this, was the Greek failure to bring about an industrial revolution due solely to lack of interest, or to lack of technology?

Yours faithfully,
J. E. T. BROWN,
148 Albany Road,
Sudbury,
Suffolk.
May 16.

Local spending

From Miss Catherine Kenyon
Sir, I should just like to point out that "should the newly-elected Labour-controlled Greater London Council insist on cutting Tube and bus fares and raising the amount of rates payable, they will be hitting hardest those who voted them in. For the greatest benefit will go to those commuters who live outside the GLC area and the millions of tourists who visit the capital each year. Both get cheaper travel without paying the penalty of dearer rates."

Yours faithfully,
CATHERINE KENYON,
18 Lee Grove,
Chigwell,
Essex.
May 27.

Foxing the hunt

From Mr G. V. Harries
Sir, Not merely pre-1939: pre-1914 too (Mr Ogilvy, May 23). Older readers may recall another example of economics in defence: Professor Spencer Wilkinson, a Fellow of All Souls and military correspondent of the *Morning Post*, was the author of a drill-book in which, I read, cyclist troops were instructed to defend themselves against cavalry by turning their machines upside down and spinning the wheels to frighten the horses.

Yours faithfully,
G. V. HARRIES,
Rokeby,
Badgeworth Lane,
Badgeworth,
Cheltenham,
Gloucestershire.
May 23.

Enterprise
zones-boon or
blight? page 17

Business News

THE TIMES June 2 1981

The queue for
rights
issues, page 17

Stock markets	
549.2 up 6.7	Fr Gilt 67.84 up 0.17
Sterling	
£2.0580 down 120 points	Index 98.3 down 0.6
Dollar	
Index 106.9 down 0.2	DM 2.3325 down 17 pts
Gold	
\$482.50 up \$3	
Money	
3 mth sterling 12.1/12.1	3 mth Euro \$171.171
6 mth Euro \$161.161	

IN BRIEF

Argentina devalues peso 30 pc

The two-month-old military Government of President Roberto E. Viola has decided to devalue Argentina's peso by 30 per cent.

Monday's devaluation—which follows one of 10 per cent in February and 28 per cent in April, as well as smaller monthly devaluations—has other steps away from the previous Government's inflation-fighting strategy.

The previous Government relied on an artificially overvalued peso to bring the inflation rate down from above 500 per cent in 1976 to about 80 per cent last year. But the strategy, combined with removal of tariffs, wrought havoc on industry.

NRDC appointment



Sir Keith Joseph, Secretary of State for Industry, has appointed Sir George Macfarlane (above) to a three-year term as a part-time board member of the National Research Development Corporation. Sir George's appointment reflects the Government's wish for closer collaboration between the NRDC and the National Enterprise Board, of which he is also a part-time member. The two are to be merged into the British Technology Corporation within the next two years.

£1m oil contract

A film plus contract creating 15 jobs and £250,000 worth of sub-contract work has been announced for the Shell Expro marine terminal at Braefoot Brae, Fife.

The contract, which will take about a year to complete, has been won by the Glasgow-based R. J. McLeod civil engineering firm.

Telford job hopes

This year could see the creation of 2,000 new jobs in Telford, according to the Telford Development Corporation.

Telford has received inquiries from firms, including German and American companies, for factory space totalling more than 750,000 square feet.

Burroughs jobs lost

Burroughs Machines is to make 370 workers redundant at its Cumbernauld factory. It is the third time workers have been made redundant in seven months and brings the number of jobs lost at the factory to 811 since last November, nearly half the original number.

ICI Korea link

ICI Paints Division has signed a licence agreement with the Korea Chemical Company worth about £1m, under which the Koreans will manufacture ICI paints and purchase related technology.

Shipyard boost

Latest Lloyd's Register of Shipping statistics show that world shipyards are experiencing a significant upturn with four million tons of new orders being placed in the first three months of this year.

Wall Street higher

The Dow Jones industrial average closed 6.21 points up at 997.96. The S&P 500 was 1.17/124. The £ was 0.567599.

Lloyd's agents face underwriting bar

By Philip Robinson

Lloyd's of London, the world's largest insurance market, funded by the wealthy, is now facing the biggest upheaval in its 300-year history.

A four-man Commons committee inquiring into the Lloyd's Bill which has been designed to improve self-regulation, yesterday told the insurance market that agents acting for member "names" could no longer also act for a syndicate.

Lloyd's has already been told by the committee that the Bill must be amended to ensure a commercial split between insurance brokers and their underwriting interests. Divestment could involve deals of £150m.

The committee has in effect directed divestment of any parts of Lloyd's which has, or which they feel has, the potential to create a conflict of interests.

Lloyd's is refusing to comment on what the new directive means to the market until its 16-man ruling committee meets tomorrow.

But it is clear that it will have to call two extraordinary meetings of the 20,000 members, one to change a by-law to make postal votes valid, and the other to put the amendments to a referendum. The committee meeting which will need a 75 per cent majority.

Lloyd's told the Commons yesterday that it will hold a referendum of members and hopes to reply by July 20.

The timing is crucial. If the Bill misses its place in the Commons timetable, it is almost certain that the Commons would not accept an amended Bill and would insist on it being completely re-drafted.

The Commons committee has already heard five days of evidence after which the chairman, Mr Michael Meacher, Labour MP for Oldham West, gave Lloyd's a week to draft a suitable amendment regarding divestment.



Mr Michael Meacher and Mr Peter Green: seeking to separate agents' interests.

The committee had been formed to hear a petition from Mr Nick Parker and Mr John Burrows, two Lloyd's names, criticising various parts of the Bill and the omission of a divestment clause.

Yesterday, at the resumed hearing which is costing an estimated £40,000 in legal fees, Mr Peter Green, Lloyd's counsel, told the committee that Lloyd's would amend the Bill to ensure complete divestment of brokers and underwriters within five years. But there was an attempt to circumvent divestment between a members' agent and a managing agent.

Mr Boydell said that there had been a misunderstanding over the words "complete divestment" and that Lloyd's had not understood this to mean a split between member agents and managing agents.

For 40 minutes he argued that it was a major departure from the motion for which members had already voted. "Such a proposal is very much against Lloyd's as a whole," he said.

Neither of the two major

reports on the market had recommended such a divestment, and it was an internal matter and did not affect the public. "If there is any mischief which requires correction then it can be achieved by the by-laws," he said.

Mr Michael Mann, counsel for Mr Parker and Mr Burrows, said that they had identified an actual or potential conflict of interest. And he added that even Mr Peter Green, Lloyd's ruling committee chairman, had said in evidence that he had changed his mind and that the system needed detailed examination.

Mr Meacher told Mr Boydell that it was not sufficient simply to show the Bill follows recommendations in the report by Sir Henry Fisher, on new regulations for Lloyd's.

"It is up to us, in the public interest, to see if additional provisions are necessary," he said. "It has been, and remains the view of the committee that we require a separation of interests of all managing agents and all members' agents."

The pound slipped by 1.20 cents against the dollar to finish London trading at \$2.0580, and weakened considerably against continental currencies. Its trade-weighted index, measured against a basket of currencies, dropped 0.6 to 98.3 (average 1975=100).

Dealers put sterling's weakness down to some considerable interest rate differentials. But it is not clear whether they mark a sustained downward trend, as White House officials are predicting a temporary reprieve before rates climb again, which is what Wall Street expects.

The dollar, which dropped sharply in early trading, recovered to close in London at DM2.3325, down 17 points from Friday.

Despite lower Eurodollar deposit rates investors were generally reluctant to sell dollars for Deutsche marks and other continental currencies.

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Small business loan rates under fire

By Bryan Appleyard

The Government's £150m pilot loan guarantee scheme for small businesses came into effect yesterday. Small businesses can now apply for loans which will be 80 per cent underwritten by the Government.

The maximum sum for any one loan is £75,000 and as much as £50m can be lent under the scheme each year for the next three years.

But the interest rates proposed by the banks have already come under fire from the small business campaigners who fought for the scheme for four years.

The loans will carry a 3 per cent premium on the guaranteed portion, equivalent to 2.4 per cent over the whole sum.

All the main English and Scottish clearing banks are involved as well as the Industrial and Commercial Finance Corporation. The Co-operative Bank is believed to be about to be accepted by the Department of Industry, although the Trustee Savings Banks have been rejected.

The main lobby group in favour of the scheme, the British Small Business Federation, has attacked these rates as far too high and unjustified in view of the large guaranteed element in the loans.

The union claims that the banks are effectively charging between 7 and 10 per cent over base rate for the guaranteed portion of the loans. It also believes the 3 per cent premium charged by the

Government as insurance against losses is far too cautious, and no comparable scheme overseas has losses on anything like that scale.

In an attempt to force down the rates both the union and Mr Michael Grylls, chairman of the Conservative Small Business Bureau, are lobbying other British and foreign banks to persuade them to apply to join the scheme and compete with the big clearers.

Yesterday at the launching of the scheme Mr John MacGregor welcomed the idea of greater competition among banks.

The banks and ICFC yesterday welcomed the start of the scheme though they were originally fiercely opposed to the idea. Both said they were committed to the operation of the pilot scheme.

The Union of Independent Companies is to monitor the performance of the lenders in operating the scheme and rate them according to their performance.

Various service businesses have been excluded, as well as businesses in sectors dominated by nationalised industries.

Financial Editor, page 17

Telecom forms new division

By Bill Johnstone

British Telecom has formed a new operating arm to control and future subsidiaries will be headed by Mr Peter Benton, the new deputy-chairman designate.

The promotion of Mr Benton, currently managing director of British Telecom, is accompanied by four new designate appointments to the corporation's board. They are expected to be ratified by the Government after the passage of the Telecommunications Bill in July.

All the new appointees are currently at director level. Mr John Harper is to be managing director (inland); Mr Jim Hodgson, managing director (international); Mr John Whyte, engineer in chief and managing director (major systems); and Mr Iain Valence, in charge of organization and business systems.

The new division headed by Mr Benton is to be called British Telecom Enterprises.

According to Sir George Jefferson, chairman of British Telecom, the new structure of the board is intended to make the corporation more competitive and to respond to the new climate created by passage of the Telecommunications Bill.

However, the chairman denied that the creation of British Telecom Enterprises is a move to allow private finance to be raised through subsidiaries and avoid breaching the Public Sector Borrowing Requirement.

British Telecom has been pressing the government for permission to raise private capital against its assets, now valued at more than £15,000m.

The Government is expected to make a statement this week regarding the funding of the corporation.

British Telecom has asked to borrow £500m during this financial year, on almost three times the current cash limit set by the Government.

Precisely what the new subsidiary companies will do is not clear. They could be partly owned or wholly owned by British Telecom.

German group's dawn raid on Eagle Star

By Our Financial Staff

In the first test of the City's new rules on buying big blocks of shares, the German insurance group Allianz Versicherungs yesterday bought 14.9 per cent of Eagle Star Insurance in a surprise dawn raid and has tendered for another 15 per cent.

The market purchase rate for the insurance was 290p a share, the same as the tender price.

But last night Sir Denis Mountain, chairman of Eagle Star, rejected the bid and advised shareholders not to tender their shares. He said the price was too low, although Eagle had opened in the market at 236p.

The dawn raid, which was over in eight minutes, was the latest in a series masterminded by stockbrokers Rowe & Pitman. It cost the German group £3.2m, but Sir Denis argued that the insurer is prepared to pay as much again to bring its stake to just below the point at which a full bid is triggered.

Allianz says that it does not intend at the moment to bid for all of Eagle. But Allianz ended last year without agreement. Sir Denis said that if Eagle wanted to expand its European business it would do so itself.

Financial Editor, page 17

Lesney sees losses grow to £10.9m

By Peter Wilson-Smith

Lesney, the toy maker, famous for its Matchbox range of model cars, reported an increase in pretax losses from £3.6m to £10.9m in the year to January 25.

After charging £6.7m to cover the wide-ranging redundancy and rationalization programme to ensure its survival, the deficit widened to £17.6m compared with a £4m loss the previous year.

As expected, the final dividend, like the interim, has been passed, but the shares firmed 2p to 24p yesterday as the stock market drew comfort from the reduction in group borrowings and the news that the rate of loss continues to fall.

Mr Gordon Hay, the new chairman, who was brought in last July at the prompting of the group's bankers, said that the closure and redundancy programme was now almost complete.

"There is still much to be done, but we are on course towards our objective of a return to profitability," he said.

The workforce worldwide has been cut from 9,200 to 5,500, while the operating sites have been halved to 800,000 sq. ft.

Most of the closures were in the United Kingdom. Borrowings were reduced from £42.6m to £26.4m, mainly by running down excess stocks and should fall substantially this year because of asset sales.

Lesney's bankers, who secured their loans against fixed and floating charges on the group's assets last year, have agreed to provide facilities for the next 12 months.

Lesney's problems have been shared to a greater or lesser extent by many toy makers. Early last year Dunscomb-Marc collapsed and more recently Airfix went into receivership.

The industry has suffered from poor Christmas seasons in 1979 and 1980, the cost of financing stocks, strong sterling and imports.

Financial Editor, page 17

RTZ buys 5.3 pc of Tunnel

By Richard Allen

T. W. Ward's long and increasingly bitter battle to take over rival cement producer Tunnel Holdings took a new turn yesterday. RTZ, the mining finance house, revealed that it had bought a 5.3 per cent stake in Tunnel last Friday.

The announcement immediately caused speculation that RTZ was planning a counter-bid. Tunnel's shares leapt 20p in one stroke before falling back to close 4p up at 44p—still 5p above the cash terms of Ward, which value the whole group at £109m.

An RTZ spokesman said last night: "We are definitely not planning a counter-bid. We bought at the market price as an investment."

However, this did not entirely quell suggestions that RTZ might be prepared to take up the running should Ward's final offer fail at the closing date next Monday. RTZ refused to comment on suggestions that it might purchase Ward's 38.6 per cent holding in Tunnel if the bid fell through.

In the Ward camp, the RTZ move was seen as a frustrating tactic by a group friendly to Tunnel. The move drove Tunnel's share price substantially above the 43.5p ceiling at which Ward can buy shares in the market under Takeover Panel rules.

Mr Peter Frost, the RTZ chairman, said last night: "RTZ have not been in contact with us. I would have thought they could have approached us months and bring the number of jobs lost at the factory to 811 since last November, nearly half the original number."

But Mr Derek Birkin, chairman of Tunnel, said: "We haven't heard from RTZ either. We don't know what their reasons are but it has justified our view that Ward's bid is too cheap."

RTZ is known to be looking for investments in the United Kingdom, partly to relieve a pressing advance corporation tax problem on its dividends to British shareholders. This has arisen because most of its earnings come from overseas.

Because of Tunnel's complex voting structure, RTZ's 5.3 per cent stake gives it only 3.7 per cent of the votes and should not in itself create a big hurdle to Ward, whose stake gives it 42 per cent of the votes.

Meanwhile, Ward's share price jumped 12p to 126p last night, reflecting the fact that its Tunnel stake is now worth over £40m, or about 75p a share.

Financial Editor, Page 17

More US banks cut prime rates to 20 pc

By Frances Williams

Several more leading United States banks yesterday followed Chase Manhattan and the Manufacturers Bank of Los Angeles in cutting their prime rates to 20 per cent from 20 1/2 per cent. One smaller bank, the Southwest Bank of St Louis, cut its rate to 19 1/2 per cent.

The falls had been widely expected after lower domestic interest rates. But it is not clear whether they mark a sustained downward trend, as White House officials are predicting a temporary reprieve before rates climb again, which is what Wall Street expects.

The dollar, which dropped sharply in early trading, recovered to close in London at DM2.3325, down 17 points from Friday.

Despite lower Eurodollar deposit rates investors were generally reluctant to sell dollars for Deutsche marks and other continental currencies.

S. & W. Berisford, the international commodity trader, which is bidding for British Sugar Corporation, said yesterday that it will not raise its latest offer of 33 1/2p a share. The bid values British Sugar at £201m.

The Berisford offer will expire in just over a month. Mr Gordon Percival, a Berisford director, said yesterday that the offer had been increased last week from 28 1/2p a share, had brought in sufficient acceptance to indicate that it was the market rate.

But Berisford has always

argued that the uncertainties of the sugar business, especially the risk of bad harvests and the politics of European Community prices, make British Sugar's forecast of 49m pretax profits exceptional. It also says that on a different accounting basis these profits would be much lower.

Market sources estimate that Berisford has built up its holding in British Sugar from about 9 per cent to roughly 11 per cent. But the commodity trader is buying steadily in the market, and Mr Percival is not worried about the speed at which the stake is being accumulated.

Another influence on Berisford has clearly been the possible reaction of farmers to British Sugar's profit forecast. City sources are concerned that when farmers see the big profit increase, they may press for much higher prices next season.

But Mr John Beckett, chief executive of British Sugar, argues that the profits are justified by the corporation's £150m investment programme.

British Sugar has rejected the Berisford bid as being much too low.

Wontner hints at retirement Stomping on Savoy's critics

By Peter Wainwright

Venerable, benign, gentle, urbane and full of guile, Sir Hugh Wontner, 72, yesterday had possibly his finest hour.

Sir Hugh does not round on people, he turns elegantly on them; and yesterday, at the annual meeting of the Savoy Hotel, he dished an impudent critic, and brushed aside doubts about the way the grandest collection of hotels in the world is run.

He hinted delicately at a North American deal (for shares), and at his own retirement. The meeting was supposed to be about the attempt by Sir Charles Forte, head of Trusthouse Forte, the biggest hotel group in the world, and exactly Sir Hugh's own age, to gain control of the Savoy.

Instead, Sir Hugh hinted at a struggle for power that will take place on his own terms in a few years' time when he steps down. It is an open secret that Sir Charles will lose, and that there have been 10 takeover approaches since Trusthouse launched its bid last March.

Sir Hugh is a man of parts. Hotelier, Clerk of the Royal Kitchens since 1953, and once Lord Mayor of London, he is perhaps at his best as an actor.

An "Old Stager"—he is a member of the world's oldest amateur dramatic society—and yesterday he dealt deftly with a critic who spoke to him as no one probably ever has before.

This lonely man was Mr Gerald-Milsons, who owns and runs Maison Talbooth near Colchester.

Mr Milsons attacked the board for losing money last year. He recollected that the last time he came to a shareholders' meeting was in 1975—again after a big loss.

He said: "Did any shareholder get up and murmur why? I was staggered. Of course not." Mr Milsons went on: "I look at the whole board in front of you. I see people who are short of knowledge in making profit in our industry, but also—with respect—long in years." He did not support the Trusthouse bid, but nor was Sir Hugh curator of the British Museum.

Less originally, he echoed Cromwell, and Leo Amery in 1940: "You have sat too long here for any good you have been doing. Depart I say and let us have done with you. In the name of God."

It was almost as if he had not spoken. The report and accounts were carried unanimously, but there was one vote against the reelection of Dame Bridget D'Oyly Carte and Mr Richard Hargreaves who runs Savoy's health farm, Forest Mere.

Otherwise, mutiny was muted. Loyal old ladies and gentlemen rallied round their chairman, especially when he said he would consider cheap rates for shareholders at the Savoy during the winter months.

THE EDINBURGH INVESTMENT TRUST

plc

U.K. 51% Asia 2% Japan 7% Australia 1% South Africa 2% North America 37%

TOTAL EQUITIES WORLDWIDE £130 million at 31 March 1981

Assets

Over the year to 31 March 1981 the net asset value of the ordinary shares 25p rose by 50% to 78.7p compared with a rise in the U.K. stock market as measured by the F.T. Actuaries Index of 29%. Over the same period the share price rose 67% to 70p.

Dividend

The net dividend was increased by 17% during the year compared with a rise of 13% in the Retail Price Index and the Chairman says in his statement that he "expects at least to be able to maintain the present year's dividend".

The 1981 Annual Report describing the activities of the company may be obtained by posting this coupon to the company secretary, Mr Colin Peters, The Edinburgh Investment Trust plc, FREEPOST, Edinburgh, EH2 0BU (No postage stamp required).

Name _____

Address _____

T1

PRICE CHANGES

Rises	
Comm Union	10p to 162p
Eagle Star	35p to 272p
Exel	12p to 224p
Furnell Elect	10p to 477p
GEC	12p to 688p
Lawrence	15p to 152p
Falls	
Allen H & Ross	10p to 333p
Baird W	5p to 223p
Global Nat Res	50p to 785p
Husky Oil	15p to 687p
Peterson Zoch	10p to 440p

Hill C	21p to 124p
Lawrence W	14p to 152p
Macmillan Hse	10p to 755p
Plessey	10p to 810p
Ward TW	12p to 126p
Western Mining	14p to 124p
Falls	
Folly Pack	10p to 248p
Kangor Oil	16p to 575p
Royntree Mac	8p to 158p
Snia Viscosa	8p to 47p
Sentrust	6p to 359p



US workers criticized by Japan

Low quality American workmanship is the main obstacle to the transfer of technology from Japan to the United States, according to the Nikko Research Centre in Tokyo which investigated 88 Japanese machinery and other companies in the United States.

Nearly 47 per cent of interviewees said American factory workers were rather unsatisfactory, 18.4 per cent said they were very unsatisfactory and 28.6 per cent said they were comparable to Japanese workers. The survey said Americans were behind on education, ability and morals.

Alberta crude cut

Alberta has cut its oil production by a further 60,000 barrels a day. It began to reduce production on March 1 in protest at the federal government's oil pricing policies and new federal taxes on both oil and natural gas. The present price of crude is \$24.75 a barrel, less than half the world price. Another cut is planned for September 1, and will bring the total reduction to 180,000 barrels a day: 15 per cent of normal Alberta output.

Iran imports rise

Iranian imports rose 29.6 per cent to 64,700m rials (about £397m) in the Iranian month ended April 20 compared with the same period last year, according to customs figures. Non-oil exports declined 46.1 per cent to 2,230m rials over the period, with hand-woven carpets making up 37 per cent of the total.

India to drill for oil

India's state-owned oil and natural gas commission plans to drill 59 offshore oil wells and to complete a seismic survey of the country's 400,000 square kilometre continental shelf by June next year.

Japan's deficit widens

Japan's trade deficit widened sharply to \$1.110m (£536m) in the first 20 days of May from a \$393m deficit in the same period, last year.

Industries licensed

Industrial licences are to be granted to 525 companies using advanced technology to operate in India. It is hoped they will boost domestic industrial output of exports, by collaborating with Indian companies.

Hongkong campaign

The Industrial Development Authority of Ireland is to campaign to persuade Hongkong manufacturers to begin production in Ireland and so avoid EEC export restrictions.

Fiat lay-offs

Fiat in Italy has laid off 60,000 workers for one week, to give time for excess stocks of cars to be sold. They are in addition to 23,000 workers who have been suspended since November.

Soviet trade talks

The sixth session of the British-Soviet Joint Commission on Trade Cooperation has ended without any firm contracts being signed, but many of the political obstacles to Kingdom and the Soviet Union have effectively been removed.

US goods for Taiwan

Taiwan has signed agreements in 20 American States to purchase farm and industrial products worth \$1,700m (£825m).

Call for radical rethink on social purpose

Team to help ailing Co-ops

From Derek Harris, Edinburgh

A six-strong team drawn from the top management of the Co-operative movement's three most powerful organisations is being formed to deal with troubled retail societies.

It consists of the chairman and chief executives of the Co-operative Wholesale Society (CWS), CRS (The movement's largest retailer), and the Co-operative Union, the movement's central coordinating body.

Societies in financial difficulties will, in future, face the combined team in discussions on the best way out of their problems.

In the past there has been a piecemeal approach which the movement's leaders say is not enough to deal with the growing problems of the retail societies, now numbering about 180.

The new move was disclosed here yesterday at the Co-operative Congress, the movement's annual parliament, by Mr Howard Perrow, chairman of the Co-operative Union's central executive. A common, co-ordinated approach was being

taken to consider current issues and problems facing the movement, Mr Perrow said. He emphasized the importance of this new form of dialogue continuing.

One possible advance from the new approach is that problems may be tackled earlier than in some cases in the past. It is expected that the new team will be prepared to take the initiative where necessary in starting discussions when danger signs appear within a particular retail society.

The past year has seen 14 new societies formed by merger, with some being absorbed in CRS. One of the first possible mergers in which the new team could be involved is the talks going on aimed at forming a south-east regional society, Royal Arsenal Society and South Suburban Society, both hit by trading losses, are the key societies involved.

A warning on the dangers to the movement of a preoccupied



Mr Hedley Whitehead

with economic survival was given by Mr Hedley Whitehead, this year's congress president. He said: "We may succeed in maintaining a significant state in United Kingdom retailing but on basically no different terms from any of our most prominent competitors."

"Society today surely needs

a new force, a new altruism, selflessness replacing selfishness, a genuine care for each other. Is it too much to hope that a radical rethinking of the movement's social purpose might provide some of the answers?"

The movement needed to be outgoing, he added. "People will not come to us. We must cultivate support." Mr Whitehead said, and added that neglect of its social roots was the heavy price the Co-op had paid for unavoidable preoccupation with economic survival.

But that was too high a price: survival could be bought too cheaply.

The movement should consider what contribution it could make to the disgraced of temporary problems of the young jobsless, Mr Whitehead said. The Co-op dividends to be diverted to help young people without jobs by generating socially useful activities such as resource centres for voluntary groups.

Call for oil freeze to December, 1982

A call for an oil price freeze by the Organization of Petroleum Exporting Countries (Opec) until the end of 1982 was made yesterday by Dr Mana Said al Oteiba, oil minister of the United Arab Emirates.

Speaking in London at the opening session of a two-day conference on energy supplies organized by the Financial Times, he said: "We need some time to think quietly whether it is the right time now to decide that the barrel of oil of \$36 to \$41 is very close to a reasonable price, and that we should make it easy from now on."

Dr Oteiba said the United Arab Emirates needed a stable market for its oil beyond the year 2000.

Mr John Lichtblau, executive director of the New York Petroleum Industry Research Foundation, said that substantial real Opec price rises through the 1980s could push demand so low that the resultant glut could cause Opec's floor price to collapse.

Dr Oteiba said Opec had struggled since it was formed to adjust the real price of oil to levels at which it got a reasonable return.

He noted that Opec's Geneva meeting called for a revision of the group's long-term pricing strategy, which in an original draft conceived when prices were well below \$30 a barrel, called for a two to three per cent real annual price increase.

The strategy would have indexed prices with the West's inflation and growth and had nominated when a basket of currencies, although Dr Oteiba said the dollar's present strength meant that the currency issue was now less important.

members did not necessarily share this view.

Market analysts say that Opec pricing tactics with limited reserves are less worried about pitching prices too high than those such as Saudi Arabia which fear that too rapid a switch to alternative energy could leave them sitting on a lake of unsaleable oil in coming decades.

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He agreed with a reporter who questioned him after his formal remarks that all 13 Opec

BL to meet with Rover consortium

By Rupert Morris

Top management of BL Cars is heading to arrange a meeting this week with representatives of the 20 Midlands businessmen who want to buy the Rover works at Solihull.

BL announced closure of the Solihull plant a few weeks ago with the loss of more than 2,000 jobs. Rover production is to be switched to Cowley, Oxford.

The 20 anonymous businessmen have offered £15 million for the plant, and say they want to continue producing the Rover as well as a new model.

BL spokesman said yesterday that the Rover name was not for sale, but that either Mr Harold Musgrove, chairman of Austin Morris and Rover Triumph, or Mr Ray Horrocks, chairman of BL Cars, would meet with the consortium.

The consortium's spokesman is Mr David Gilroy-Bevan, Conservative MP for Yardley, Birmingham, who said the group wants to buy the plant before foreign competition can step in.

BL invested £31 million at Solihull five years ago, and is putting it up for sale next spring. It is a modern trim and assembly plant.

If the consortium wanted to carry on producing Rovers, it would have not only to persuade BL to part with the name, but also to commission design and body work elsewhere.

Charging non-customers for cashing cheques

From Mr B. W. Ryder

Sir, Mr Perry's letter (May 21) is breathtaking in its audacity. He accuses the banks of running an "undesirable semi-cartel" and then complains because Barclays and Midland propose to charge non-customers for cashing cheques and paying in credits.

The high street branches of the clearing banks are not branches of the Gas Board. They are very much in competition with one another and it is hard to see why Barclays, for example, should provide a free service for customers of competitor banks.

If Mr Perry had a budget account at Harrods he surely

would not expect to be able to use it at Simpsons.

If he wants the convenience of being able to use any of the high street banks free of charge, may I suggest that Mr Perry opens an account with each of the big four? I believe that they only require an average credit balance of £50 for free banking. So for returnable deposit of £200 he can solve his problems.

Yours faithfully, B. W. RYDER, Toadshole Cottage, Old Road, Feering, Essex, CO5 9RN. May 21.

station or gas-gathering pipeline construction programme.

It is true that the Department of Energy occasionally dips its feet into the troubled water to encourage industrialists to change oil fired boilers to coal, or promote combined heat and power schemes, but its role seems largely permissive rather than entrepreneurial. It could, for example, have aided energy conservation and provided employment by a national scheme of insulation retrofit on the housing stock in the style of the conversion programme carried out when natural gas was introduced. Or it could take its courage in both hands and build the Severn barrage scheme, again providing employment for the hard-pressed construction industry, although the anticipated electrical output would have to be included in the CEB's generation fuel mix. The fact that the gas-gathering pipeline for the North Sea is still in the air rather than under the sea is a national scandal.

I have recently visited Germany and France; they look with envy and incredulity at our energy resources; envy because they do not have oil, gas and in the amounts we do and incredulity that with these advantages our economy lurches from crisis to crisis rather than leading Europe to economic recovery.

IAN FELL, Professor of Energy Conversion, Department of Chemical Engineering, The University of Newcastle upon Tyne, Merz Court, Claremont Road, Newcastle upon Tyne NE1 7RU. May 25.

For once we hold all the cards necessary for planning an energy strategy. We have oil, gas, coal, nuclear power, hydro power and a strong R and D commitment to various renewable energy resources.

What is more, all these industries are nationalized with the partial exception of oil. Yet each largely determines its own expansion targets; there is no coordinating "Energy Board" modifying over-extravagant expansion in one sector, or adding an element of insurance in case "slippage" occurs in a power

The need to formulate an energy strategy

From Professor Ian Fell

Sir, The Monopolies Commission has recently criticized the Central Electricity Generating Board's (CEGB) strategy for nuclear power station expansion, maintaining that its investment appraisal technique is defective. Yet the Secretary of State for Energy announced over a year ago the Government's strategy of building up a powerful indigenous nuclear industry by ordering a new nuclear station each year until 1995, so as to add 15,000MW of capacity to the system.

Was this the result of an independent Department of Energy appraisal or is it subject to the same sort of criticism as has been levelled at the CEGB?

The Government is remarkably coy about its energy policy. The last White Paper on the subject was published in 1967. One might have thought that while in opposition the present Government would have prepared some sort of energy strategy, unless, of course, it intends to rely on that blunt instrument, the price mechanism. It would be said if that were the case.

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Clydesdale Bank charges up

Clydesdale Bank, the only big clearing bank in Scotland that has no service charge on personal current accounts, is maintaining its credit in increased many of its charges.

Most of the increases took effect yesterday. But charges on overdrawn personal current accounts will not be increased in Scotland until August 1.

The bank, with headquarters in Glasgow, will apply quarterly service charges for both personal and business current accounts, so the cost to the personal customer who is overdrawn for a short period may be lower than under the half-yearly charging arrangement.

Mr Alexander Macmillan, chief general manager, said yesterday: "Although efforts continue to be made to increase productivity and effect economies wherever possible, very substantial increases in overheads have made it necessary for the Clydesdale Bank to increase charges."

The new standard charges on current accounts to personal customers who fall into debit will be 10p per debit entry for cash dispenser, counter terminal and direct debit transactions. All other debits will be charged at 14p each. The present standard charge is 9p for all debit entries.

Such charges continue to have an offsetting allowance of 1 per cent per annum below average deposit receipt rates.

He agreed with a reporter who questioned him after his formal remarks that all 13 Opec

Computer to monitor buses

By Bill Johnston

Technology News

London Transport may equip its 2,500 buses with microprocessors if a pilot scheme aimed at controlling traffic flow is successful. A mini-computer, which will monitor vehicle movements has just been installed by London Transport at its communication centre in Baker Street.

The pilot scheme will not start for another 18 months, during which time the system, its programs and the necessary operating procedures will be devised.

About 70 buses operating from Peckham in south-east London are expected to be the test sample.

Beacons will be placed on bus routes at strategic turnaround points, which are on average about 10 to 12 minutes travelling time apart.

Each beacon will communicate its coded location to the microprocessor of the passing bus. The information held in the bus microprocessor will be conveyed to the central computer using VHF radio channels. A bus will receive a radio

signal asking for details of its location. The address of the last beacon passed by the bus will then be sent back to the computer.

One UHF channel will allow coded signals to be transmitted to and from 1,500 buses. Eleven channels will be used as direct speech channels and one will be retained for emergency use.

Attached by land line to the mini-computer will be the control room, which during the pilot study, and possibly after, will be in Peckham. On a multi-coloured display unit, the controller will be able to compare the location of each bus with a schedule that will indicate where the bus should be.

The driver of each bus will have a 14-character light emitting diode (LED) display, similar to a calculator display, on which messages can be written for his attention. The

driver also will be able to talk to central control and trigger an emergency alarm.

The test phase alone is expected to cost about £1m in equipment, telecommunications and software. If the test, designed to last about a year, is successful, at least 50 per cent of London buses would be brought into the system.

Coordination urged for training courses

A national programme to coordinate all private industry training courses and so prevent wasteful duplication has been called for by the Electrical & Electronic Manufacturers' Training & Education Board.

The idea, published in a document yesterday, came out of discussions among representatives of the aerospace, electrical, electronics and manufacturing industries. Companies represented in the discussions included Standard Telephones and Cables (STC), Thorn-EMI, Ford and British Aerospace.

The proposal would encourage companies to run training courses to allow non employees to attend and, if necessary, charge them for the privilege.

The document was presented to the Confederation of British Industry, the Monopolies and Mergers Commission and other bodies. Company confidentiality may be a problem but, the training board believes, not an insurmountable one.

Girl technician competition open

Entries for the Girl Technician of the Year 1981 competition are being sought by the Caroline Haslett Memorial Trust and the Institution of Electrical and Electronic Technicians Engineers.

The contest, established three years ago, is meant to focus attention on electrical and electronic engineering as a worthwhile career for women.

The three previous winners of the £250 award have been holders of the Higher National Certificate in Electrical and Electronic Engineering.

Nominations for the award must be submitted by the employers and an application must be completed by the candidate. All candidates must be under 30 years of age and must submit their applications to the institution by October 1.

The organizers say: "By selecting for the award an outstanding technician engineer who has successfully undertaken the necessary technical education and training and has proved herself capable of holding a responsible job, the sponsors hope that she will by her example encourage other girls into the profession."

THE SCOTTISH INVESTMENT TRUST COMPANY LIMITED

1981 interim results (unaudited)

	30 April 1981	31 October 1980
Total assets	£182.4m	£164.5m
Net assets per unit	189.6p	169.3p
6 months to 30 April 1981		1980
Gross income	£3,713,000	£3,778,000
Earnings per unit	2.12p	2.19p
Interim dividend per unit	1.70p	1.70p

The net asset value of £189.6p, the highest reached by the company, is 12% above our year end level and 44% above the level of a year ago.

BY THE FINANCIAL EDITOR

Allianz's challenge to Eagle Star

The dawn raid and subsequent tender offer for almost 30 per cent of Eagle Star by Allianz, the German insurer, indicates that foreign insurance companies regard the British domestic market as attractive, even if their British counterparts are not so sanguine. For a company like Allianz, with a wide international spread and capitalised at well over twice Eagle Star, the problem was not the market but how to get into it.

Eagle Star was a likely target for several reasons. About three quarters of premium income is earned in Britain, so there was little chance of a clash of interests abroad. Allianz has no domestic business in this country, and its London international reinsurance operation is small. At the same time, Eagle is not encumbered by the cross holdings which proliferate in the business. Apart from wanting to strengthen its position in London Allianz is also looking to the day when the Common Market will allow insurers to operate across national frontiers without needing separate companies in each country. Eagle's apparent preference for developing this business by itself is not fully borne out by the record of concentration in Britain.

But the chief attraction must be the price. Although 290p is well above the 236p at which the market opened yesterday, it is reasonable to argue that Eagle's shares have been depressed by rights issues in the sector, and by disappointment with last

year's results. If the life business—in the books at £100,000—is taken into account, Eagle is probably worth rather more than 290p. This makes the untested mechanism of the tender offer particularly interesting. From Allianz's point of view, the fairly low price is offset by the present weakness of the Deutsche mark, which is not expected to continue. Nevertheless, Eagle will have to convince shareholders that better profits are in the offing.

Guaranteed loans are finally on offer to small businesses, provided they can take the rates. First offerings from the clearers indicate that entrepreneurs will be paying a minimum of 17 per cent for their floating rate money, while ICFI wants 20 per cent for its fixed-rate loans. Add to this the arrangement fee and the down payment on the Government's premium, and the front-end cost begins to look highly unattractive.

Greater competition among the banks may well have a further 1 to 2 per cent off these figures, and, in time, the Department of Industry may conclude that it can reduce the 3 per cent premium. But, for now, the future of the idea must depend on the numbers of businesses prepared to take on these terms.

In this context the anecdotes about companies clamouring for guaranteed loans may well prove illusory. Once they start being processed, many will find their way into the banks' existing small business schemes which may well begin to look more attractive once the subject of terms comes up. This is hardly the base from which to launch a new era in company finance, any more than it is the setting in which a new breed of entrepreneurs can thrive. Yet it is a start, and an important one. Ultimately the real need for loan guarantees can only be determined when the sums available are unrestricted, and the rates are fully competitive. This may be some way off so far now the small business campaigners will have to persuade their constituents to join the scheme, taking the rates on the chin and hoping there will be enough of them to widen the scale and reduce the terms of the scheme.

Lesney. Drastic measures. Rumours in recent months that Lesney was soon to go the way of Dunbe-Cox-Maxx and Airfix have proved unfounded, but it is not hard to see why they arose given the scale of losses Lesney has reported for the year to January 25. Indeed, the Midland Bank, after being criticized for pulling the rug from under DCM, seems to have bent over backwards this time to be the listening bank.

The increase in pretax losses from £3.6m to £10.9m, and the £17.6m loss after extraordinary items were higher than earlier outside expectations, but the drastic measures taken by the new management hold out hope for the future and have had a salutary impact on borrowings. The high stocks Lesney began the year with, after the poor 1979 Christmas season, have been one of the major problems, and the company has pushed up interest charges from £5.6m to £6.8m, there were losses as they were sold off cheap, and there were losses generated by surplus capacity as production was cut back to reduce stocks.

However, year-end stocks have been more than halved from £41.6m to £19.4m, and are now virtually clean, and with net borrowings down from £42.6m to £26.4m interest charges should be much lower this year. Because of the huge losses, shareholders' funds have declined faster than borrowings so gearing has risen from 108 to 124 per cent, and net assets per share have tumbled from 116p to 63p. So Lesney still has a way to go in restoring the balance sheet, and although centralizing of stock control functions, and more co-ordinating production and marketing should enable the group to maintain the much improved working capital ratios, there is still work to be done on rationalizing the product line.

Lesney should be breaking even towards the end of the year although it will almost certainly make another loss overall. But the 2p rise in the shares to 24p yesterday recognizes the fact that Lesney now seems to have a future.

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Enterprise zones - a boon or blight?

Peter Hill and Baron Phillips



Mr Roger Caplan, who runs a fire protection systems company which is only five yards outside the proposed Trafford Park zone in Manchester. He is worried that the zone will lower property and asset values in companies outside and damage their investment prospects.

It is now more than two years since Sir Geoffrey Howe, then in Opposition, sowed the seeds of his enterprise zone concept in the somewhat infertile soil of the Isle of Dogs. It was there that the man who a few months later was to take over the Chancellorship from Mr Denis Healey outlined his idea of setting up oases of enterprise in depressed and run-down inner city areas.

Companies were to be freed from local and national red tape and would be offered handsome financial incentives, including tax holidays, and exemption from the rates. This would provide, so it was argued, a real incentive to the legions of potential entrepreneurs who, the Government believed (and still believes) would be an engine for growth in the economy.

It was an attractive idea, particularly at a time of rising unemployment and the gathering clouds of deepening recession—a bright spot amid the almost unrelieved economic gloom. The plans were spelled out formally by the Chancellor in his Budget statement of March, 1980. Since then the Government's commitment to the enterprise zone concept has been reinforced by the fact that the Government has invited local authorities to submit plans for 11 zones in the United Kingdom to run for an experimental period of 10 years.

One has already been designated. The Lower Swansea Valley zone has opened up for business. Yesterday the penultimate step in the creation of the first zone in England—at Corby—was taken by the Chancellor when he announced that the Government's commitment to the enterprise zone concept has been reinforced by the fact that the Government has invited local authorities to submit plans for 11 zones in the United Kingdom to run for an experimental period of 10 years.

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Is the answer, as Mr Goldsmith suggests, for the owners of those blighted companies to have the right to require compulsory purchase by the local authority and receive full and adequate compensation?

The experience of some companies at Trafford Park, Manchester, which find themselves on the wrong side of the enterprise zone track, starkly illustrates the problem.

According to Mr Michael Brookfield, managing director of Westinghouse Coal Storage, "Companies in the zone will be flying flags of convenience which will give them a licence to sink the opposition on sight."

Mr Brookfield, whose company's premises are 200 yards outside the zone-to-be designated zone, says that the effect "will simply be to transfer the crisis from inside the zone to the area outside."

"I am faced with paying someone else's rates bill for the next ten years subsidizing my competitors, if you like."

From his boardroom window he cannot avoid the estate agent's notice, 20 feet tall, which reads: "Rate-free units to let—6,000 to 75,000 square feet units immediately available." He calculates that a tenant leasing one of the larger units within the zone will

make a saving of £45,000 a year on normal overheads.

A rueful Mr Brookfield comments: "We have 109,000 square feet of warehouse; the rates bill is almost £68,000 annually—the equivalent of more than £50 per employee a week."

The problems differ from company to company. Mr Roger Caplan runs a fire protection systems company, James H. Dennis, whose premises are a critical five yards outside the proposed Trafford Park zone. He says that companies like his, outside the boundary, will experience a fall in the value of their property and assets and this will put a brake on future investment.

Equally, he, like others, believes that bank managers will be less willing to advance money for modernization in companies outside the zone.

The danger, as the companies on the fringes of the Trafford Park zone perceive it (and presumably similar companies in other localities are drawing the same conclusions) is that the enterprise zone experiment will destroy as many companies as it will create. In its effort to reverse what it considers to be Britain's anti-enterprise culture the Government—and the planners—run the danger of alienating business support for that philosophy.

Why there is a queue for rights issues

Recession, an upsurge in share prices and then a spate of rights issues have been a familiar pattern during the current economic crisis of the last decade—and once again, history is repeating itself.

Although the stock market has come off the boil after narrowly failing to break through the 600 level in the Financial Times index, share prices are still historically high. For many corporate treasurers this is proving an irresistible opportunity to tap their shareholders for fresh capital.

Last week BOC International, the gases company, launched the largest call on shareholders so far this year—an £80m issue of convertible loan stock—only a few days after Guardian Royal Exchange's £76m rights issue of ordinary shares.

By any standards the last two months have been exceptionally active. Apart from the companies in the table there has been a flood of smaller issues in the £1m to £10m range from companies wanting extra cash for expansion, for restoring borrowed equity bases.

New capital issues by companies during the first three months of 1981 now total £793m, according to figures compiled by the Midland Bank. This total, while including a number of large bulldog issues, is still well below the £1,088m in the same period of 1980 and £1,088m during the whole of last year.

The rights issue queue, organized by the Bank of England, to preserve an orderly market, now stretches out to the end of July and it seems likely that by the end of the year the amount of new capital raised by companies on the Stock Exchange will exceed at least

in money terms the record £1,578m raised in 1975.

The Bank of England's queue started filling up as the equity market began to move ahead, and the level of share prices is undoubtedly one of the most significant factors in determining when companies come to the market, however much they plead the logic of their own particular cases. The higher the company's shares, the lower the yield on the new money it is raising and the smaller the dilution of its equity in order to raise a given sum.

A number of recent rights issues seem to have been inspired by stock-market conditions rather than by specific expansion plans. IMI and Rowntree Mackintosh, for instance, both raised money for indefinite future expansion which will probably turn out to be acquisition.

But Rowntree's issue came after the group had announced lower profits for the second year running, while IMI and already strong balance sheet. Because IMI may still be paying unrelieved advance corporation tax on its dividends this year, dividend payments are likely to absorb a large part of the money raised by the rights issue in the first year.

Guardian Royal Exchange's rights issue has also been criticized for being opportunistic and unnecessary.

But, however important a rise in share prices may be in influencing a company's decision to raise equity capital, the incidence of rights issues has also reflected the corporate sector's financial position. A recent study by Mr Keith Terry of stockbrokers Phillips & Drew showed that equity issues tended to become more important in proportion of industrial companies' external financing during the 1970s. Between 1970 and 1974 equity provided 8 per

cent of external finance, as against 38 per cent between 1975 and 1979. The flood of rights issues in 1975 seems to have been a clear response to the liquidity crisis of 1973-74, when bank borrowings were rising sharply. Since then, an inflationary climate and periods of high interest rates seem to have encouraged companies to rely more on equity finance.

In fact, industry emerged from 1980 in better financial shape than previously expected and largely because of huge destocking, the financial deficit of the corporate sector was almost two thirds down at £2,772m, while its net borrowing requirement was about a tenth lower than in 1979 at £4,825m. But the figures disguise wide disparities between different parts of industry and they do

not hide the fact that many companies have had to borrow heavily from the banks during this recession.

But, while to a large extent companies have been able to offset the reductions in cash flow caused by declining profitability by off-loading stocks, there will be less scope to do that this year and company liquidity is expected to deteriorate during 1981.

Of course, the big rights issues have not so far come from those companies which have suffered worst during the recession. Invariably they are the ones whose share prices prevent them from coming to the market, and the capital injections given to companies such as Stone-Platt, the textiles machinery company and Weir Group—both of which ran into financial crises—have been the preserve of specialist City rescuers.

European Ferries is one of the few companies to raise money because of problems directly related to the recession, but this was only to cover a temporary setback in cash flow which would otherwise have hindered developments outside shipping. In general, the major rights issues have come so far from companies which have been doing fairly well and wish to enlarge equity bases and raise capital for acquisitions or expansion.

BOC International's choice of

a convertible issue highlights the problems companies now face if they wish to raise long-term fixed interest finance, and it probably goes some way to explain the increasing proportion of external finance raised by rights issues during the second half of the seventies. The corporate debenture market has been dead for about a decade, as the corporate treasurer—unable to compete with the Government—has been squeezed out of the fixed interest market by the yields available on gilts.

To some extent the move by the banks into term lending has helped, but this has still left gaps at the long end of the market.

Hopes earlier in the year of a revival in this market have been killed by the rise in American interest rates and the continuing high level of United Kingdom rates. So BOC had to shelve plans for a bond issue to improve its debt profile and chose a convertible loan stock instead.

The advantage is that there is no dilution of the ordinary capital for some years ahead, while BOC, which has been having to roll over debt at increasingly higher interest rates, is able to raise money at 9 per cent, thus making an immediate annual interest saving of more than £3m.

Peter Wilson-Smith

ADVANCE

ADVANCE SERVICES

Paul Rudder, the Chairman, reports on a successful year

Pre-tax profits rose to £4.89m and Earnings per stock unit to 9.95p. In view of these satisfactory results, we have recommended an increase in the total dividend for the year to 3.0p per ordinary stock unit, compared with 2.6p for 1979.

Despite the rising unemployment and factory closures which affected many of our customers, our long established services held up well during the year and in addition we attracted new business.

Directors and management at all levels of the Advance Group are very conscious not only of the need to maintain and improve existing standards of service, but also to extend our markets and our range of products. These are our primary objectives in the years ahead.

Notwithstanding the economic climate and severe competition, the Group has started the current year reasonably well.

Comparative Results	1980 £000's	1979 £000's
Turnover	35,443	30,145
Profit before taxation	4,892	4,468
Taxation	667	972
Net profit attributable	3,239	2,984
Dividend per stock unit	3.0p	2.6p
Earnings per stock unit	9.95p	8.03p

Copies of the Report and Accounts are obtainable from the Secretary and the Annual General Meeting will be held on 24th June 1981.

Advance Services Limited, 71/83 Upper Richmond Road, London SW15 2TD.

Don Turnbull used to be an adviser on schools policy to the education authority in Cambridge. Today he is managing director of a small but growing business, in the town—except that it is not a town, it is Arachne, a shrewish 27-year-old witch who can converse with elves, red dragons, ogres and lizardmen and knows how to control the occasional wayward bill giant.

Arachne does not appear to have any power over the tawman, which is just as well, since Tom Kirby, the close business partner of Arachne's alter ego, used to work as an inspector for the Inland Revenue in Harrogate before he roo, was beckoned on to more fantastic affairs.

Both Turnbull and Kirby have given up sane and sober careers to help further the success of a game, centred on adult fairy tales, in which magic really works, dragons breathe fire and good always triumphs—even if it takes five years of play.

There are no prizes and no winners, no board or cards, and little of what one could recognize as conventional rules; but if, as one is inclined at first to suspect, there lurk behind the serious expressions of these two men cerebral cavities filled with feather light smoked salmon soufflé, it does not, at the moment, show.

The object of their joint devotion is called "Dungeons & Dragons", invented by an out-of-work insurance man from Lake Geneva, Wisconsin, eight years ago. Last year, "D & D" is the game is known to its followers, notched up the lion's share of \$20m (about £8.8m) of sales in the adult fantasy games market in the United States.

THE WIZARD OF DAD

WE INVENTED A NEW GAME

...AND BAD GUYS WHO ALWAYS LOSE

WITH CASTLES AND DAMSLES IN DISTRESS AND DRAGONS

The hottest game in Britain is certainly not at present, but with sales now spilling over from specialist shops into high street stores purely by word of mouth, it is on its way.

Kirby, who is the promotional manager for the British arm of TSR Games, the American company making D & D, says that it is almost impossible to understand what the game is about without playing it. And, as someone who has never played it, I am inclined to agree.

It is a fantasy role-playing game for three or more participants, set in a world which appears to be a cross between The Lord of the Rings and pulp sword-and-sorcery fiction.

One of those involved is not actually a player, he is the "Dungeon Master", or DM, who is the only one to know the full details of the game world which the participants inhabit. He may have created it himself or bought a ready-made "module" from TSR beforehand.

The players assume characters which they largely create for themselves and then enter the game in these roles. The DM sets the group of players a series of challenges which they can meet only through cooperation and teamwork.

As each character experiences these challenges, they gain strengths which change their ability to meet future difficulties. Each change can be marked down on a character sheet enabling the particular character to be revived, as Turnbull's Arachne is, whenever the owner requires.

If this sounds rather complicated, it is nothing to what the game is like in reality. Advanced players use thick hardback books listing hundreds of spells, monsters, and complex game "universes".

Kirby is enthusiastic about the game's intellectual features. "It doesn't have the same head-smashing fervour of chess or the memory requirements of bridge, but it does have the same attractive nature."

Both he and Turnbull were adult games fanatics in the not-so-distant days when you never mentioned it, because, in Kirby's words, "you got funny looks". Some of that fingers-Turnbull was rather surprised that I did not ask him whether he dressed up when he assumed the character of Arachne, for instance.

He does not. "You don't need to. It's all up here," he says, tapping his forehead.

It was Turnbull's reputation as a leading light in adult games which originally caused him to be asked to set up the United Kingdom arm of TSR.

Pleasure apart, there is, of course, the question of money. The initial D & D outfit costs £8.50, for which purchasers receive a printed box, two soft-back books, and a set of oddly-shaped dice for resolving combats. Clearly, the idea carries as heavy a price as the fascinating costs.

New modules and advanced books could bring the outfit of an advanced player to the £50 mark.

Kirby's attitude is that D & D is more a hobby than a game and, its adherents can, and should, expect to pay as they grow in skill.

TSR plans to sell 25,000 beginners' sets this year which means, with at least three people involved in each session,

that D & D's United Kingdom playing strength is likely to soar from last year's total of 50,000.

D & D has naturally spawned its imitators, some of whom, TSR itself admits, are quite innovative. The trouble is that Dungeons & Dragons, far from being a trademark, is rapidly becoming a generic term for sword-and-sorcery adult fantasy games, which has led TSR to defend its brand name with some legal severity.

There is the chance that D & D could just be a fad, with both Kirby and Turnbull back behind their public sector desks in five years or so. The two believe that some of the interest will indeed be short-lived, but that the concept will survive on balance. That is the kind of talk which you expect to hear from games enthusiasts everywhere, but there is an earnestness about the pair which gives some weight to their comments.

Mad as they clearly are on the game, it is an enthusiasm which is not shared by any of the other workers in the firm, however. Turnbull deliberately set out to exclude games fanatics from the company because he believes that their dedication is likely to be towards the company of the producer rather than shifting sets of it off the shelves.

There, I suspect, lies the clue to the whole phenomenon. Deep down, its intelligent middle-class addicts treat it with a deadly seriousness. Magic and dragons it may be; fun and games it is not.

David Hewson

Blue chips ahead after hours

Sangers passes final as profits fall again

Shares leap as Martin the Newsagent climbs

No sign of upturn at Dunlop

Laird Group hopeful over compensation

Briefly

Business appointments

Aerospace reshuffle

So is the market, and the shares rested at 80p on estimates of pretax profits of around £20m, against £12m,

100

Shuffle

Mr Duncan Macdonald is to join the executive management board of Kwik-Fit-Euro.

M. J. H. Nightingale
27/28 Lovat Lane London EC3P

The Over-the-C

High	Low	Company	F
76	39	Airsprung Group	

52	21	Armitage & Rhodas	
200	321	Bardon Hill	7
104	88	Deborah Services	1
126	68	Frank Howell	
110	39	Frederick Parker	
110	64	George Blair	
110	59	Jackson Group	
129	103	James Burrough	1
334	244	Robert Jenkins	3
55	50	Scrutans " A "	
224	203	Torday Limited	2
23	8	Twintock Ord	
90	68	Twintock 15% ULS	
56	35	Umlock Holdings	
103	81	Walter Alexander	1
263	181	W. S. Yeates	2

Bank Base Rates

ABN Bank	12%
Barclays	12%
BOCI	12%
Consolidated Crdts	12%
C. Hoare & Co	*12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster ..	12%
TSB	12%
Williams and Glyn's	12%

* 7 day deposit on sums of

\$10,000 and under 9% up
to \$50,000 9% over
\$50,000 10%.

Form of Instruction to Stockbrokers

TENDER OFFER

on behalf of
Allianz Versicherungs-AG

to purchase 20,420,000 ordinary shares of
Eagle Star Holdings Limited

In accordance with the Tender Offer by Allianz dated 2 June, 1981 I/we (full name of registered shareholder(s)) hereby request: (insert name of Stockbroker) to tender for sale ordinary shares of Eagle Star at.....p per share.

Dated.....June, 1981 Signature(s)

Notes

(i) After completion this Form should be sent to your Stockbroker in time for them to lodge a tender on your behalf not later than 5 p.m. on 9 June, 1987.

(ii) Separate Forms of Instruction to Stockbrokers should be used by shareholders of *Eight pence* if the number of shares stated above does not represent their total holding and they wish to tender part or all of the balance of their holding at a different price to that stated above.

(iii) Copies of the Form of Instruction to Stockbrokers are available at the offices of Morgan Grenfell & Co. Limited, New Issue Department, 21 Austin Friars, London EC2N 2HB during normal business hours on any weekday (Saturday excepted) up to and including 9 June, 1987.

TENDER OFFER

on behalf of

Allianz Versicherungs-AG

to purchase 20,420,000 ordinary shares of

Eagle Star Holdings Limited

to purchase 20,420,000 ordinary shares of

Financial Advisers to Allianz Versicherungs-AG

Morgan Grenfell & Co. Limited

Brokers to the Offer

Rowe & Pitman

To all ordinary shareholders of Eagle Star Holdings Limited

2 June, 1981

This announcement is important and requires your immediate attention. If you are in any doubt about the Tender Offer, please consult your Stockbroker, Bank Manager, Solicitor, Accountant or other professional adviser immediately.

Rowe & Pitman announce that, acting on behalf of Allianz Versicherungs-AG ("Allianz") they offer to purchase by tender a maximum of 20,420,000 ordinary shares of 25p each ("the stated maximum") of Eagle Star Holdings Limited ("Eagle Star") on The Stock Exchange on the following terms:-

1. The maximum price per share shall be 290p.
2. Unless tenders in respect of more than an aggregate of 1,361,333 shares (one per cent. of the issued ordinary share capital) are received the Offer shall be void.
3. Subject to the provisions of paragraph 2 above all tenders will be irrevocable.
4. The Offer will close at 3.00 p.m. on 9 June, 1981.
5. Where a tender is accepted and results in a sale, settlement will be effected between The Stock Exchange member firms concerned (through The Stock Exchange "Talisman" system) on 22 June, 1981, being the settlement day following the Stock Exchange Account ending on 12 June, 1981.
6. The Eagle Star shares are to be acquired free from all liens, charges and encumbrances and with all rights attaching thereto, including the right to receive all dividends and other distributions declared, made or paid hereafter.
7. Allianz already hold 14.9 per cent. of the shares in issue and will hold 29.9 per cent. if they receive the maximum number of shares now being offered for.

If the number of shares tendered for sale is above the stated maximum, the striking price will be the lowest price at which the number of shares offered for hereunder is met and all shareholders who tender at or below the striking price will receive that price. If necessary tenders made at the striking price will be allocated down pro rata. If the number of shares tendered is less than the stated maximum, tendering shareholders will receive the maximum price of \$280p, subject to paragraph 2 above.

WARNING: No shares tendered at above the striking price will be accepted. Shareholders wishing to sell their shares under this Offer should be aware that it is possible that the striking price could be below 290p.

The maximum price being offered by Allianz compares with middle market quotations for Eagle Star shares, based on The Stock Exchange Daily Official List, on the first dealing day of each month from December 1980 to May 1981, and 29 May, 1981 (being the dealing day prior to the purchase by Allianz of 14.9 per cent. of the ordinary shares of Eagle Star in the stock market and the latest practicable date before publishing this advertisement).

1980 1 December	250p
1981 2 January	230p
2 February	253p
2 March	245p
1 April	235p
1 May	260p
29 May	235p

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DANIEL
ORIENTAL
EMBROIDERED
from Thrace

THE
MUSIC
PICTURES

Salerooms and Antiques



8 King Street, St James's
London SW1Y6QT. Tel: 01-839 9060
Telex 916429 Telegrams CHRISTART
London SW1

Today, Tuesday, 2 June at 11 a.m.
FINE JAPANESE PRINTS, PAINTINGS AND SCREENS.
Catalogue £1.80.
Wednesday, 3 June at 11 a.m.
HIGHLY IMPORTANT CLOCKS, FINE WATCHES AND
SCIENTIFIC INSTRUMENTS. Catalogue £1.50.
Thursday, 4 June at 11 a.m.
19TH CENTURY IVORY CARVINGS, SCULPTURE AND
WORKS OF ART. Catalogue £1.80.
Friday, 5 June at 11 a.m.
IMPORTANT VICTORIAN PICTURES. Catalogue £5.
Monday, 8 June at 11 a.m.
CHINESE CERAMICS AND WORKS OF ART. Catalogue
£1.30.
Tuesday, 9 June at 10.30 a.m.
ENGLISH AND CONTINENTAL GLASS. Catalogue £1.80.
Tuesday, 9 June at 10.30 a.m. and 2 p.m.
ENGLISH, FOREIGN AND ANCIENT COINS. Catalogue
55p.

CHARITY SALE
Today, Tuesday, 2 June at 8.30 p.m.
PICTURES, SILVER, JEWELLERY, PORCELAIN,
FURNITURE, WORKS OF ART AND WINE. To be
sold on behalf of the Save the Children Fund and
Children and Youth Aiyah.

Late night viewing Mondays until 7 p.m.

OVERSEAS SALES

IN HOLLAND
AT THE SONESTA HOTEL, AMSTERDAM.
Wednesday, 3 June at 2.30 p.m. and 7 p.m.
FINE WINES. Catalogue £1.25.
Friday, 12 June at 10 a.m. and 2 p.m.
FURNITURE AND OBJECTS OF ART. Catalogue £3.
AT ROKIN 86, AMSTERDAM.

Thursday, 11 June at 10 a.m. and 2 p.m.
SILVER AND JEWELLERY. Catalogue £3.
Thursday, 18 June at 10 a.m. and 2 p.m.
ASIAN CERAMICS AND WORKS OF ART. Catalogue
£3.

IN ROME
AT THE PALAZZO MASSEMO LANCELOTTI
Thursday, 4 June at 4 p.m.
FURNITURE AND WORKS OF ART. Catalogue £2.
Thursday, 11 June at 4 p.m. and 9 p.m. and Friday, 12
June at 4 p.m.
BOOKS. Catalogue £2.
Thursday, 18 June at 4 p.m.
COINS. Catalogue £2.

SALE ON THE PREMISES
CHATEAU DE GRAND BIGARD, BRUSSELS,
BELGIUM.
Monday, 15 June at 11 a.m., 2.30 p.m. and 7.30 p.m.
and Tuesday, 16 June at 11 a.m. and 2.30 p.m.
The Property of the Pelegrins de Bigard Family.
Catalogue £3.50.

All catalogue prices are post paid.
All sales subject to the conditions printed in the
catalogue.
For details of sales at Christie's South Kensington, please
contact: 85 Old Bepton Road, London S.W.7. Tel:
(01) 581 2231.

CHRISTIE'S AGENTS IN BRITAIN AND IRELAND

London:
Jack Buchanan Tel: (0432) 24603
Argyll:
Sir Ilay Campbell, Bt. Tel: (04995) 286
Edinburgh:
Michael Clayton Tel: (031) 225 4157
Northumbria:
Aidan Culbert Tel: (03477) 3181
North-West:
Victor Gubbins Tel: (0758) 66766
Yorkshire:
Nicholas Brooksbank Tel: (0904) 30911
West Midlands:
Michael Thompson Tel: (07462) 61891
East Anglia:
Henry Bowring Tel: (0600) 614546
Cheshire:
Philip Leatham and Rupert de Zoete Tel: (0242) 518999
Mid-Wales:
Sir Andrew Duff Gordon, Bt. Tel: (0242) 518999
Hampshire:
Dennis Wray Tel: (02464) 370
West Country:
Richard de Pelet Tel: (0963) 70518
Nigel Thimbleby Tel: (0500) 68748
Devon & Cornwall:
Christopher Petherick Tel: (0726) 64672
Ireland:
Desmond Fitz-Gerald, The Knight of Glin.
Tel: (0001) 680585/693925
Northern Ireland:
John Lewis-Crosby Tel: (036) 830574
Isle of Man:
Quentin Agnew-Somerville Tel: (0624) 813 724
Channel Islands:
Richard de la Hay Tel: (0534) 77582

DAVID BLACK
ORIENTAL CARPETS
96, Portland Road, London, W.11 4LN
Telephone: 01-727 2566

EXHIBITION OPENING TODAY
Embroidered Flowers
from Thraceto Tartary
Downy textiles from the 17th to 19th centuries
The exhibition will be open Monday to Saturday
between 10 a.m. and 6 p.m. until July 4th, 1981

Spink
BUY ENGLISH
PICTURES
Spink & Son Limited
King Street, St James's, London SW1
Telephone: 01-839 9060 (4 lines)
Established 1666

COLLECTORS
AUSTRALIA, N.Z., Pacific: Rare
books for sale, including voyages,
1600-1800. Tel: 025 0346 454

New Bond Street

Sotheby Parke Bernet & Co., 26 Conduit Street,
London W1R 9TB Tel: (01) 493 8080

Tuesday 2nd June at 11 am and 2.30 pm
FINE JAPANESE SWORDS AND SWORD
SCABBARDS Cat. (184 illus.) £5

Wednesday 3rd June at 11 am
FINE OLD MASTER PAINTINGS
Cat. (120 illus.) £5.50

Wednesday 3rd June at 11 am and 2.30 pm
FINE JAPANESE PRINTS, ILLUSTRATED
BOOKS AND JAPANESE AND CHINESE
PAINTINGS Cat. (123 illus.) £5

Thursday 4th June at 10.30 am
ENGLISH AND FOREIGN SILVER AND
PLATE Cat. (52 illus.) £1.50

Thursday 4th June at 11 am and 2.30 pm
BALLET DESIGNS Cat. (254 illus.) £3

Friday 5th June at 10 am
CHINESE, EUROPEAN AND ORIENTAL
RUGS AND CARPETS Cat. (48 illus.) £1.50

Friday 5th June at 10.30 am
CHINESE DECORATIVE ARTS Cat. (152 illus.) £5

Tuesday 9th June at 10.30 am
FINE AND IMPORTANT CHINESE SNUFF
BOTTLES Cat. (52 illus.) £1

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Sotheby's

FOUNDED 1744

Conduit Street
Sotheby Parke Bernet & Co., 26 Conduit Street,
London W1R 9TB Tel: (01) 493 8080

A new programme of weekly sales
Wednesday 3rd June at 10.30 am and 2.30 pm
PAINTINGS AND PICTURES OF ALL
CATEGORIES Cat. 75p

Belgravia
Sotheby's Belgravia, 29 Motcomb Street,
London SW1X 8LE Tel: (01) 235 4311

Tuesday 2nd June at 11 am
VICTORIAN PAINTINGS, DRAWINGS AND
WATERCOLOURS Cat. (46 illus.) £1

Wednesday 3rd June at 11 am
FRENCH, FURNITURE, CLOCKS AND WORKS
OF ART, ORIENTAL CERAMICS AND
FURNITURE Cat. (83 illus.) £3.75

Thursday 4th June at 10.30 am
ENGLISH CERAMICS Cat. (77 illus.) 60p

Tuesday 9th June at 11 am
VICTORIAN PAINTINGS, DRAWINGS AND
WATERCOLOURS Cat. (77 illus.) £1

Wednesday 10th June at 10.30 am and 2.30 pm
FINE ENGLISH, EUROPEAN AND ORIENTAL
CERAMICS Cat. 75p

Wednesday 10th June at 10.30 am and 2.30 pm
FINE ENGLISH, EUROPEAN AND ORIENTAL
CERAMICS Cat. 75p

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